No. 69
STATE OF MICHIGAN

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OF THE
House of Representatives

93rd Legislature
REGULAR SESSION OF 2006

House Chamber, Lansing, Wednesday, July 26, 2006.

10:00 a.m.

The House was called to order by the Speaker Pro Tempore.

The roll was called by the Clerk of the House of Representatives, who announced that a quorum was present.

Accavitti—present
Acciavatti—present
Adamini—present
Amos—present
Anderson—present
Angerer—present
Ball—present
Baxter—present
Bennett—present
Bieda—present
Booher—present
Brandenburg—present
Brown—present
Byrnes—present
Byrum—present
Casperson—present
Caswell—present
Caul—present
Cheeks—present
Clack—present
Clemente—present
Condino—present
Cushingberry—present
DeRoche—present
Dillon—present
Donigan—present
Drolet—present
Elsenheimer—present
Emmons—present
Espinoza—present
Farhat—present
Farrah—present
Gaffney—present
Garfield—present
Gillard—present
Gleason—present
Gonzales—present
Gosselin—present
Green—present
Hansen—present
Hildenbrand—present
Hood—present
Hoogendyk—present
Hopgood—present
Huizenga—excused
Hummel—present
Hune—present
Hunter—present
Jones—present
Kahn—present
Kolb—present
Kooiman—present
LaJoy—present
Law, David—present
Law, Kathleen—present
Leland—present
Lemmons, III—present
Lemmons, Jr.—present
Lipsey—present
Marleau—present
Mayes—present
McConico—present
McDowell—present
Meisner—present
Meyer—present
Miller—present
Moolenaar—present
Moore—present
Mortimer—present
Murphy—present
Newell—present
Nitz—present
Nofs—present
Palmer—present
Palsrok—present
Pastor—present
Pavlov—present
Pearce—e/d/s
Plakas—present
Polidori—present
Proos—present
Robertson—present
Rocca—present
Sak—present
Schuitmaker—present
Shaffer—present
Sheen—present
Sheltrown—present
Smith, Alma—present
Smith, Virgil—present
Spade—present
Stahl—present
Stakoe—present
Steil—present
Stewart—present
Taub—present
Tobocman—present
Vagnozzi—present
Van Regenmorter—present
Vander Veen—present
Walker—present
Ward—present
Waters—present
Wenke—present
Williams—present
Wojno—present
Zelenko—present

e/d/s = entered during session

Rep. Tom Casperson, from the 108th District, offered the following invocation:

"Heavenly Father, as we come together today we acknowledge You and Your sovereignty and who You are. Lord, we ask for Your special guidance and wisdom, Lord, as we move forward with the people's business of the state of Michigan. Lord, I ask for Your hand upon each and everyone of us. Lord, I just ask for Your guidance and give us direction. Lord, we thank You for who You are and we praise Your name. We ask these things in Jesus' name, Amen."

The Speaker assumed the Chair.

Rep. Palmer moved that Rep. Huizenga be excused from today's session.
The motion prevailed.

Reports of Select Committees

First Conference Report

The Committee of Conference on the matters of difference between the two Houses concerning
House Bill No. 5786, entitled
A bill to make appropriations for the Michigan strategic fund and certain other state purposes for the fiscal year ending September 30, 2007; to provide for the expenditure of the appropriations; to provide certain conditions on appropriations; and to provide for the disposition of fees and other income received by certain state agencies.
Recommends:
First: That the Senate recede from the Substitute of the Senate as passed by the Senate.
Second: That the House and Senate agree to the Substitute of the House as passed by the House, amended to read as follows:
A bill to make appropriations for the Michigan strategic fund and certain other state purposes for the fiscal year ending September 30, 2007; to provide for the expenditure of the appropriations; to provide certain conditions on appropriations; and to provide for the disposition of fees and other income received by certain state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

ARTICLE 13
MICHIGAN STRATEGIC FUND
PART 1
LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the Michigan strategic fund for the fiscal year ending September 30, 2007, from the funds indicated in this part, the following:

MICHIGAN STRATEGIC FUND

APPROPRIATION SUMMARY:		
Full-time equated classified positions 152.0		
GROSS APPROPRIATION	$	80,479,800
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		78,600
ADJUSTED GROSS APPROPRIATION	$	80,401,200
Federal revenues:		
Total federal revenues		47,687,000
Special revenue funds:		
Total local revenues		0
Total private revenues		700,000
Total local and private revenues		700,000
Total other state restricted revenues		5,000
State general fund/general purpose	$	32,009,200
Sec. 102. MICHIGAN STRATEGIC FUND		
Full-time equated classified positions 152.0		
Administration—22.0 FTE positions	$	2,451,000

	For Fiscal Year Ending Sept. 30, 2007
HR optimization user charges	17,300
Job creation services—130.0 FTE positions	17,496,000
Michigan promotion program	5,717,500
Economic development job training grants	9,798,000
Community development block grants	45,000,000
GROSS APPROPRIATION	$ 80,479,800
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDEQ, air quality fees	78,600
Federal revenues:	
DOL-ETA, employment service	300,000
HUD-CPD, community development block grant	47,387,000
Special revenue funds:	
Private - special project advances	700,000
Industry support fees	5,000
State general fund/general purpose	$ 32,009,200

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is $32,014,200.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is $9,798,000.00 from the entire appropriation for economic development job training grants.

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

Sec. 203. As used in this article:

(a) “DOL-ETA” means the United States department of labor, employment and training administration.

(b) “FTE” means full-time equated.

(c) “Fund” means Michigan strategic fund.

(d) “GF/GP” means general fund/general purpose.

(e) “HUD” means the United States department of housing and urban development.

(f) “HUD-CPD” means HUD community planning and development.

(g) “IDG” means interdepartmental grant.

(h) “MDEQ” means the Michigan department of environmental quality.

(i) “MDLEG” means the Michigan department of labor and economic growth.

(j) “MEDC” means the Michigan economic development corporation, which is the public body corporate created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by contractual interlocal agreement effective April 5, 1999, between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund.

(k) “PA” means public act.

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

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

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

Sec. 208. Unless otherwise specified, the fund shall use the Internet to fulfill the reporting requirements of this article. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on the Internet or Intranet site.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality.

Sec. 210. The chair of the fund shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The chair of the fund shall strongly encourage firms with which the fund contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 212. The fund shall receive and retain copies of all reports funded from appropriations in part 1. The fund shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

Sec. 213. From the funds appropriated in part 1 for information technology, the departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the fund and the department of information technology.

Sec. 214. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 217. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2007 shall be limited to situations in which 1 or more of the following conditions apply:

(a) The travel is required by legal mandate or court order or for law enforcement purposes.

(b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.

(c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.

(d) The travel is necessary to comply with federal requirements.

(e) The travel is necessary to secure specialized training for staff that is not available within this state.

(f) The travel is financed entirely by federal or nonstate funds.

(2) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the house and senate appropriations committees.

(3) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the chairs and members of the house and senate appropriations committees, the fiscal agencies, and the state budget director. The report shall include the following information:

(a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

(d) A brief statement of the reason for each travel occurrence.

(e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

(f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 219. The fund shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

MICHIGAN STRATEGIC FUND

Sec. 1001. (1) The appropriation in part 1 to the fund for economic development job training shall be expended in 2 categories: the business response program for employee training grants that maintain or attract permanent jobs for Michigan residents and the manufacturing competitiveness program for grants to fund collaborative efforts that increase the competitiveness of multiple companies within a grant. The business response program is allocated up to $6,532,000.00, and the manufacturing competitiveness program is allocated up to $3,266,000.00 not to exceed the part 1 appropriation for this program in its entirety. The fund has the authority to reallocate these amounts during the fiscal year dependent on business demand and economic conditions.

(2) Not more than $800,000.00 of the total grant may be expended for administrative costs. 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 to the fund for economic development job training 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 for economic development job training grants, at least 75% of the funds shall be awarded to community colleges or a consortium of community colleges and other eligible applicants pursuant to subsection (5).

(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.

(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.

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

(d) In addition, for the manufacturing competitiveness program, the following criteria will receive priority: strong level of collaboration and cooperation and demonstration of new techniques, systems, and processes of value to the affected companies.

(9) Participants in economic development job training programs shall be 16 years or older and not enrolled and counted in membership in a school district, intermediate school district, or community college.

(10) A recipient of a grant under this section shall not charge tuition or fees to participants in the program funded by the 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 under the business response program, the business receiving the benefit of the training shall provide a minimum of 20% of the program costs in matching funds as necessitated by the program. For training delivered under the manufacturing competitiveness program, 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.

(14) The fund shall provide to the state budget director and the fiscal agencies by May 1 and November 1 of each year a report on the economic development job training grants. The report due by May 1 shall provide the information described in this subsection for each grant or contract awarded during the preceding 2 quarters of the state fiscal year. The report due by November 1 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) Of the funds appropriated in part 1 for economic development job training grants, the fund shall not use these funds to finance the startup or in any way subsidize any private distributor of liquor products in Michigan.

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

Sec. 1002. The Michigan growth capital fund shall be used to develop the technology business sector in Michigan. The Michigan growth capital fund will be used to encourage private and public investment in the technology business sector, and all of the following apply:

(a) An applicant must match state funds on a 1:1 basis.

(b) Eligible uses of the Michigan growth capital fund include investments in organizations and programs that promote the development of new industry sectors in Michigan; inducements to attract additional venture capital funds to finance technology development; support organizations, initiatives, or events that promote entrepreneurship; provide match for university federal research grants; and support technology transfer and commercialization programs with universities and the private sector.

(c) The Michigan economic development corporation shall administer the Michigan growth capital fund.

(d) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination thereof or interest thereon, originally distributed as part of the Michigan growth capital fund, shall be received, held, and applied by the fund for the purposes described in this section.

(e) The Michigan economic development corporation shall provide an annual report on the status of the Michigan growth capital fund to the subcommittees, the fiscal agencies, and the state budget office by January 31.

Sec. 1003. Travel Michigan may establish and collect a fee to cover the cost of materials and processing of photographic prints, slides, videotapes, and travel product database information that are requested by the media and other segments of the public and private sectors. The fees collected shall be appropriated for all expenses necessary to purchase and distribute these photographic prints, slides, videotapes, and travel product database information. The funds are available for expenditure when they are received by the department of treasury.

Sec. 1004. Travel Michigan may receive and expend private revenue related to the use of the "Michigan Great Lakes. Great Times." copyrighted slogan and image. This revenue may come from the direct licensing of the name and image or from the royalty payments from various merchandise sales. Revenue collected is appropriated for the marketing of the state as a travel destination. The funds are available for expenditure when they are received by the department of treasury.

Sec. 1005. The fund shall submit on or before May 1 and November 1 to the subcommittees, state budget office, and the fiscal agencies a listing of all grants which have been awarded by the fund or by the Michigan economic development corporation from the funds appropriated in part 1. The list shall include all of the following:

(a) The name of the recipient.

(b) The amount awarded to the recipient.

(c) The purpose of the grant.

Sec. 1006. (1) The fund shall provide reports to the relevant subcommittees, the state budget director, and the fiscal agencies concerning the activities of the Michigan economic development corporation grants and investment programs financed from the fund using investment or Indian gaming revenues. The report shall provide a list of individual grants and loans made from the fund. The report shall include, but not be limited to, the following programs funded in part 1:

(a) Travel Michigan.

(b) Michigan business development.

(c) Global business development.

(d) Small, minority, and disabled business services.

(e) Community development block grants.

(f) Strategic fund administration.

(g) Renaissance zones.

(h) Emerging business sectors and roundtables.

(i) Business and clean air ombudsman.

(j) Economic development job training grants.

(k) Community assistance team.

(*l*) Technology tri-corridor.

(m) Any other programs of the fund.

(2) The reports in subsection (1) shall be submitted by January 1. The report for each program in subsection (1)(a) through (m) shall include details on the actual spending and number of FTEs for that program for the previous fiscal year.

Sec. 1007. As a condition of receiving funds under part 1, any interlocal agreement entered into by the fund shall include language which states that if a local unit of government has a contract or memorandum of understanding with a private economic development agency, the Michigan economic development corporation will work cooperatively with that private organization in that local area.

Sec. 1008. (1) Of the funds appropriated to the fund or through grants to the Michigan economic development corporation, no funds shall be expended for the purchase of options on land or the purchase of land unless at least 1 of the following conditions applies:

(a) The land is located in an economically distressed area.

(b) The land is obtained through a purchase or exercise of an option at the invitation of the local unit of government and local economic development agency.

(2) Consideration may be given to purchases where the proposed use of the land is consistent with a regional land use plan, will result in the redevelopment of an economically distressed area, can be supported by existing infrastructure, and will not cause shifts in population away from the area's population centers.

(3) As used in this section, "economically distressed area" means an area in a city, village, or township that has been designated as blighted; a city, village, or township that shows negative population change from 1970 and a poverty rate and unemployment rate greater than the statewide average; or an area certified as a neighborhood enterprise zone.

Sec. 1009. The money appropriated in part 1 to the fund is subject to the condition that none is spent for premiums or advertising material involving personal effects or apparel including, but not limited to, T-shirts, hats, coffee mugs, or other promotional items, except travel Michigan.

Sec. 1010. (1) From the general fund/general purpose appropriations in part 1 to the fund and granted or transferred to the Michigan economic development corporation, any unexpended or unencumbered balance shall be disposed of in accordance with the requirements in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, unless carryforward authorization has been otherwise provided for.

(2) Any encumbered funds shall be used for the same purposes for which funding was originally appropriated in this article.

Sec. 1011. (1) As a condition of receiving funds under part 1, the fund shall ensure that the MEDC and the fund comply with all of the following:

(a) The freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(b) The open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(c) Annual audits of all financial records by the auditor general or his or her designee.

(d) All reports required by law to be submitted to the legislature.

(2) If the MEDC is unable for any reason to perform duties under this article, the fund may exercise those duties.

Sec. 1012. As a condition for receiving the appropriations in part 1, any staff of the Michigan economic development corporation involved in private fund-raising activities shall not be party to any decisions regarding the awarding of grants or tax abatements from the fund, the Michigan economic development corporation, or the Michigan economic growth authority.

Sec. 1013. (1) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination thereof or interest thereon, originally distributed as part of the core communities fund, shall be received, held, and applied by the fund for the purposes described in this article.

(2) The fund shall provide an annual report on the status of this fund. The report shall be provided to the subcommittees, the fiscal agencies, and the state budget office by January 31.

Sec. 1014. (1) The funding appropriated in part 1 of 2000 PA 291 for the Michigan core communities fund may be used to create an urban revitalization infrastructure program in the fund for economic development awards to create new jobs or contribute to redevelopment and encourage private investment in core communities.

(2) Awards may be provided to qualified local governmental units as defined in the obsolete property rehabilitation act, 2000 PA 146, MCL 125.2781 to 125.2797, or certified technology parks, as defined in the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174.

(3) Awards can be used for land and property acquisition and assembly, demolition, site development, utility modifications and improvements, street and road improvements, telecommunication infrastructure, site location and relocation, infrastructure improvements, and any other costs related to the successful development and implementation of core community or certified technology park projects, at the discretion of the Michigan economic development corporation.

(4) Funding may be provided in the form of loans, grants, sales or cash flow participation agreements, guarantees, or any combination of these. A cash match of at least 10%, or local repayment guarantee with a dedicated funding source, is required. Priority shall be given to projects which are integrated with existing economic development programs, and to projects in proportion to the amount that local matching rates exceed 10%.

(5) The Michigan economic development corporation shall have all administrative responsibility for the Michigan core communities fund and shall establish application and application scoring criteria and approve awards. The Michigan economic development corporation may utilize up to 1/2 of 1% of the fund for administrative purposes.

(6) Funds will be awarded through an open competitive process based on criteria including the following: project impact, project marketability, lack of adequate infrastructure or land assembly financing sources, local administrative capacity, and the level of local matching funds. Awardees shall agree to expedite the local development process, such as fast-track permitting procedures, streamlined regulatory requirements, standardized construction and building codes, and the use of competitive construction permitting fees.

(7) No single applicant shall be awarded more than $10,000,000.00 per project.

(8) Fifteen days prior to the award of the funds, notification shall be provided to the speaker of the house of representatives, the senate majority leader, the members of the house and senate appropriations committees, the fiscal agencies, and the state budget director.

(9) Funds shall not be awarded for any of the following purposes:

(a) Land sited for use as, or support for, a gaming facility.

(b) Land or other facilities owned or operated by a gaming facility.

(c) Publicly owned land or facilities which may directly or indirectly support a gaming facility.

(10) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination thereof or interest thereon, originally distributed as part of the core communities fund, shall be received, held, and applied by the fund for the purposes described in this part.

(11) The fund shall provide an annual report on the status of this fund. The report shall be provided to the subcommittees, the fiscal agencies, and the state budget office by January 31.

Sec. 1015. It is the intent of the legislature that the members of the executive committee of the corporation board of the MEDC be subject to the advice and consent of the senate.

Sec. 1016. The Michigan economic development corporation shall work with the office of the auditor general to implement procedures to annually audit the number of jobs claimed to be created by firms receiving Michigan economic growth authority grants, and all other claims of job creation for which MEDC has provided tax credits or other economic incentives.

Sec. 1017. The Michigan economic development corporation shall report on the number of individuals it employs with an annual salary of $80,000.00 or more to the subcommittees, the fiscal agencies, and the state budget office by October 31, 2007. The report shall include the name, the job title, and a description of the duties and responsibilities of all such employees.

Sec. 1018. From the funds appropriated in part 1 for the Michigan promotion program, the Michigan economic development corporation shall contract with a state research university in Michigan to conduct a scientific study of the return on investment of state tourism advertising expenditures. The results of this study shall be reported to the subcommittees, the fiscal agencies, and the state budget office by September 30, 2007.

Sec. 1019. (1) As a condition of receiving the funds appropriated in part 1, the fund shall ensure that the Michigan economic development corporation and the fund promulgate or create no guidelines, rules, standards, protocols, or other similar mandates that would prevent a firm, which otherwise qualifies for Michigan economic growth authority tax credits, from receiving such credits because the new employees who fill qualified new jobs as defined in the Michigan economic growth authority act of 1995, 1995 PA 24, MCL 207.801 to 207.810, are leased from a professional employer organization.

(2) For purposes of this section, a professional employer organization is defined as an organization that provides the management and administration of the human resources and employer risk of another entity by contractually assuming substantial employer rights, responsibilities, and risk through a professional employer agreement that establishes an employer relationship with the leased officers or employees assigned to the other entity by doing all of the following:

(a) Maintaining the right of direction and control of the employees' work, although this responsibility may be shared with the other entity.

(b) Paying wages and employment taxes of the employees out of its own accounts.

(c) Reporting, collecting, and depositing state and federal employment taxes for the employees.

(d) Retaining the right to hire and fire employees.

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

A bill to make appropriations for the Michigan strategic fund and certain other state purposes for the fiscal year ending September 30, 2007; to provide for the expenditure of the appropriations; to provide certain conditions on appropriations; and to provide for the disposition of fees and other income received by certain state agencies.

Jack Brandenburg
Fran Amos
Chris Kolb
Conferees for the House

Michelle McManus
Michael Switalski
Conferees for the Senate

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

Reports of Standing Committees

The Committee on Regulatory Reform, by Rep. Rocca, Chair, reported

House Bill No. 5853, entitled

A bill to amend 1998 PA 58, entitled "Michigan liquor control code of 1998," by amending sections 522 and 532 (MCL 436.1522 and 436.1532), section 522 as amended by 1998 PA 416 and section 532 as added by 2001 PA 223.

With the recommendation that the substitute (H-3) be adopted and that the bill then pass.
The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:
Yeas: Reps. Rocca, Jones, Gaffney, Wojno, McDowell, Virgil Smith and Lemmons, III
Nays: Rep. Van Regenmorter

The Committee on Regulatory Reform, by Rep. Rocca, Chair, reported
Senate Bill No. 50, entitled
A bill to amend 1998 PA 58, entitled "Michigan liquor control code of 1998," (MCL 436.1101 to 436.2303) by adding section 545.
Without amendment and with the recommendation that the bill pass.
The bill was referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:
Yeas: Reps. Rocca, Jones, Gaffney, Palsrok, Wojno, McDowell and Virgil Smith
Nays: Rep. Van Regenmorter

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Rocca, Chair, of the Committee on Regulatory Reform, was received and read:
Meeting held on: Wednesday, July 26, 2006
Present: Reps. Rocca, Jones, Van Regenmorter, Gaffney, Palsrok, Wojno, McDowell, Virgil Smith and Lemmons, III

Messages from the Governor

The following message from the Governor was received July 17, 2006 and read:

EXECUTIVE ORDER
No. 2006 – 11

COMMISSION ON HIGHER EDUCATION
AND ECONOMIC GROWTH IN MACOMB COUNTY

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the State of Michigan in the Governor;
WHEREAS, Section 4 of Article V of the Michigan Constitution of 1963 authorizes the establishment of temporary commissions or agencies for special purposes;
WHEREAS, both Michigan's core manufacturing industries and the new technology-based enterprises we seek to grow in the 21st century demand the talents of an increasingly educated workforce;
WHEREAS, two-thirds of the jobs that will be created in the next decade will require post-secondary education and training;
WHEREAS, those earning bachelor's degrees can be expected to earn $1 million more than those with high school diplomas over their lifetimes, while those with associate's degrees can be expected to earn $400,000 more than high school graduates;
WHEREAS, the businesses we hope to attract to Michigan cite the availability of a skilled workforce as a chief factor in determining where to make job-creating investments;
WHEREAS, Michigan cannot hope to maintain its economic vitality and the quality of life of its residents without making a dramatic increase in the number of our citizens who attain degrees and other credentials that link them to economic opportunity;

WHEREAS, that opportunity must include the ability to earn degrees and other credentials linked to success in our knowledge-based economy;

WHEREAS, the Lieutenant Governor's Commission on Higher Education and Economic Growth, created by Executive Order 2004-32, recommended that Michigan attempt to make post-secondary education universal over the next decade and greatly expand access to baccalaureate institutions and degrees;

WHEREAS, Macomb County is third most populous county in Michigan and its population is growing rapidly;

WHEREAS, in the 20th century Macomb County established itself as a world-renowned center for manufacturing and industrial research and development;

WHEREAS, Macomb County will continue to serve as an indispensable engine of economic growth in Michigan as we enter the knowledge economy of the 21st century;

WHEREAS, the residents of Macomb County have articulated a desire to improve post-secondary education opportunities in the county in recognition of the vital link between educational attainment and economic development;

WHEREAS, only 18 percent of Macomb County residents over the age of 25 currently have a bachelor's degree; and

WHEREAS, according to the Congressional Research Service, Macomb County is one of the three most populous counties in the United States without a four-year public higher education institution within its boundaries;

NOW, THEREFORE, I, Jennifer M. Granholm, Governor of the State of Michigan, by virtue of the power and authority vested in the Governor by the Michigan Constitution of 1963 and Michigan law, order the following:

I. ESTABLISHMENT OF MACOMB COUNTY COMMISSION ON HIGHER EDUCATION AND ECONOMIC GROWTH

A. The Commission on Higher Education and Economic Growth in Macomb County (the "Commission") is created as an advisory body within the Executive Office of the Governor.

B. The Commission shall consist of 15 voting members appointed by the Governor.

C. Members of the Commission shall serve at the pleasure of the Governor.

D. A vacancy on the Commission shall be filled in the same manner as the original appointment.

II. CHARGE TO THE COMMISSION

A. The Commission is advisory to the Governor. It shall assess the need for expanded post-secondary education opportunities in Macomb County by engaging the residents of Macomb County in a broad-based community dialogue. The Commission may conduct inquiries and investigations and consult with outside experts as appropriate in order to perform its duties.

B. The Commission shall hold hearings and receive public comments regarding Macomb County's post-secondary education needs.

C. The Commission shall advise the state's efforts to explore policy options regarding post-secondary education in Macomb County.

D. The Commission shall provide other information or advice or take other actions as directed by the Governor.

E. The Commission, not later than December 31, 2006, shall complete its work and report its findings to the Governor and the State Board of Education for their consideration.

III. OPERATIONS OF THE COMMISSION

A. The Commission may promulgate bylaws, not inconsistent with Michigan law and this Order, governing its organization, operation, and procedures.

B The Governor shall designate one of the members of the Commission to serve as its Chairperson. The Commission may select from among its members a Vice-Chairperson.

C. The Commission shall meet at the call of the Chair and as may be provided in procedures adopted by the Commission.

D. The Commission shall act by majority vote of its present and voting members. A majority of the voting members of the Commission constitutes a quorum for the transaction of business.

E. Members of the Commission shall serve without compensation.

F. The Commission may accept donations of labor, services, or other things of value from any public or private agency or person.

G. Members of the Commission, staff, and contractors shall refer all legal, legislative, and media contacts to the Office of the Governor.

IV. MISCELLANEOUS

A. All departments, committees, commissioners, or officers of this state or of any political subdivision of this state shall give to the Commission, or to any representative of the Commission, any necessary assistance required by the Commission, in the performance of the duties of the Commission so far as is compatible with its, his, or her duties. Free access shall also be given to any books, records, or documents in its, his, or her custody, relating to matters within the scope of inquiry, study, or investigation of the Commission.

B. Nothing in this Order shall be construed to diminish the constitutional authority of the State Board of Education pursuant to Section 3 of Article VIII of the Michigan Constitution of 1963, to provide leadership and general supervision over all public education, including adult education and instructional programs in state institutions, except

as to institutions of higher education granting baccalaureate degrees; to serve as the general planning and coordinating body for all public education, including higher education; and to advise the Legislature as to the financial requirements in connection therewith.

C. Nothing in this Order shall be construed to change the organization of the executive branch of state government or the assignment of functions among its units in a manner requiring the force of law.

D. The invalidity of any portion of this Order shall not affect the validity of the remainder of the Order.

This Order is effective upon filing.

[SEAL]

Given under my hand and the Great Seal of the State of Michigan this 17th day of July, in the year of our Lord, two thousand and six.

Jennifer M. Granholm
Governor
By the Governor:
Terri L. Land
Secretary of State

The message was referred to the Clerk.

The following message from the Governor was received July 21, 2006 and read:

EXECUTIVE ORDER
No. 2006 – 12

DEPARTMENT OF COMMUNITY HEALTH
MICHIGAN DEVELOPMENTAL DISABILITIES COUNCIL

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the State of Michigan in the Governor;

WHEREAS, under Section 8 of Article V of the Michigan Constitution of 1963 the Governor is responsible for the faithful execution of the laws;

WHEREAS, the State of Michigan recognizes a need to ensure that resources are developed, implemented, and coordinated to achieve the maximum impact on current and future needs of individuals with developmental disabilities and their families;

WHEREAS, development and implementation of needed services for individuals with developmental disabilities are ongoing responsibilities of the Department of Community Health and other state departments and agencies, in collaboration with non-governmental agencies and resources;

WHEREAS, Executive Order 1977-3 established the Michigan State Planning Council for Developmental Disabilities;

WHEREAS, Executive Order 1984-13 established the Michigan Developmental Disabilities Council;

WHEREAS, Section 125 of the federal Developmental Disabilities Assistance and Bill of Rights Act of 2000, Public Law 106-402, 42 USC 15025, requires that each state receiving funding establish and maintain a council to undertake advocacy, capacity building, and systematic change activities that contribute to a coordinated, consumer- and family-centered, consumer- and family-directed, comprehensive system of community services, individualized supports, and other forms of assistance beneficial for individuals with developmental disabilities;

WHEREAS, modification of this state's council for developmental disabilities is necessary to reflect the current organizational structure of state government and to comply with federal law;

NOW, THEREFORE, I, Jennifer M. Granholm, Governor of the State of Michigan, by virtue of the power and authority vested in the Governor by the Michigan Constitution of 1963 and Michigan law, order the following:

I. DEFINITIONS

As used in this Order:

A. "Council" means the Michigan Developmental Disabilities Council re-created under this Order.

B. "Department of Community Health" or "Department" means the principal department of state government created as the Department of Mental Health under Section 400 of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.500, and renamed the "Department of Community Health" under Executive Order 1996-1, MCL 330.3101.

C. "Developmental Disabilities Act" means the federal Developmental Disabilities Assistance and Bill of Rights Act of 2000, Public Law 106-402, as amended, 42 USC 15001 to 15115.

D. "State Developmental Disabilities Plan" means the state plan described under Section 124 of the Developmental Disabilities Act.

II. DEPARTMENT OF COMMUNITY HEALTH

A. The Department shall continue to serve as the state agency designated to provide support to the Council on behalf of this state as provided under Sections 124 and 125(d) of the Developmental Disabilities Act.

III. CREATION OF NEW MICHIGAN DEVELOPMENTAL DISABILITIES COUNCIL

A. The Michigan Developmental Disabilities Council is created within the Department of Community Health and shall be the state council on developmental disabilities required under Section 125 of the Developmental Disabilities Act.

B. The Governor shall appoint the members of the Council. The members shall be appointed at the discretion of the Governor after recommendations are solicited from organizations representing a broad range of individuals with developmental disabilities and individuals interested in individuals with developmental disabilities, including, but not limited to, the members of the Council not employed by this state. The Council may, at the initiative of the Council or on the request of the Governor, coordinate Council and public input to the Governor regarding all recommendations. The members of the Council shall be geographically representative of this state and reflect the diversity of the State of Michigan with respect to race and ethnicity.

C. The Council shall consist of 21 members appointed by the Governor, including all of the following:

1. An individual representing the Department with sufficient authority to engage in policy planning and implementation on behalf of the Department.

2. An individual representing the Department of Education with sufficient authority to engage in policy planning and implementation on behalf of the Department of Education.

3. An individual representing the Department of Human Services with sufficient authority to engage in policy planning and implementation on behalf of the Department of Human Services.

4. An individual representing the Department of Labor and Economic Growth with sufficient authority to engage in policy planning and implementation on behalf of the Department of Labor and Economic Growth.

5. Not less than one individual representing a university center for excellence in developmental disabilities education, research, and service with sufficient authority to engage in policy planning on behalf of the university center.

6. Not less than one individual representing the protection and advocacy system in this state with sufficient authority to engage in policy planning and implementation.

7. Not less than 2 individuals representing local and non-governmental agencies and private nonprofit groups concerned with services for individuals with developmental disabilities in this state with sufficient authority to engage in policy planning and implementation on behalf of the agency or group.

D. Subject to Section III.E and III.F, not less than 60 percent of the members of the Council shall be individuals who are one or more of the following:

1. An individual with developmental disabilities.

2. A parent or guardian of a child with developmental disabilities.

3. An immediate relative or guardian of an adult with mentally impairing developmental disabilities who cannot advocate for himself or herself.

E. Of the individuals described in Section III.D, all of the following shall apply:

1. Not less than 1/3 of the individuals shall be individuals with developmental disabilities.

2. Not less than 1/3 of the individuals shall be parents or guardians of an individual with developmental disabilities or immediate relatives or guardians of an adult with mentally impairing developmental disabilities who cannot advocate for himself or herself.

3. Not less than 1/3 of the individuals shall be a combination of the individuals described in Section III.D.

4. If such an individual resides in this state, at least one of the individuals shall be an immediate relative or guardian of an individual with a developmental disability who resides or previously resided in an institution or shall be an individual with a developmental disability who resides or previously resided in an institution.

F. An individual meeting the criteria established under Section III.D also shall not be any of the following:

1. An employee of a state department or agency that receives funds or provides services under Subtitle B of the Developmental Disabilities Act.

2. A managing employee as defined in Section 1126(b) of the Social Security Act, 42 USC 1320a-5(b).

3. An employee of any other entity that receives funds or provides services under Subtitle B of the Developmental Disabilities Act.

G. Of the members of the Council initially appointed under this Order, 6 members shall be appointed for terms expiring September 30, 2006, 5 members shall be appointed for terms expiring September 30, 2007, 5 members shall be appointed for terms expiring September 30, 2008, and 5 members shall be appointed for terms expiring September 30, 2009. After the expiration of the initial terms, members of the Council shall be appointed for terms of 4 years.

H. A member of the Council shall continue to serve until a successor is appointed and qualified. A vacancy on the Council occurring other than by expiration of a term shall be filled in the same manner as the original appointment for the balance of the unexpired term.

I. The Council shall advise the Governor regarding the membership requirements of the Council and shall notify the Governor if a vacancy on the Council remains unfilled for more than 180 days.

IV. CHARGE TO THE COUNCIL

A. The Council shall undertake advocacy, capacity building, and systematic change activities, consistent with Sections 101(b) and 101(c) of the Developmental Disabilities Act that contribute to a coordinated, consumer- and family-centered, consumer- and family-directed, comprehensive system of community services, individualized supports, and other forms of assistance that contribute to the achievement of the purpose of Subtitle B of the Developmental Disabilities Act.

B. The Council shall serve as an advocate for individuals with developmental disabilities and conduct or support programs, projects, and activities that carry out the purpose of Subtitle B of the Developmental Disabilities Act.

C. At the end of each federal grant year, the Council shall:

1. Determine the extent to which each goal of the Council was achieved for the grant year.

2. Determine the extent to which each goal of the Council was not achieved and the factors that impeded the achievement.

3. Determine needs that require amendment of the State Developmental Disabilities Plan.

4. Separately determine the information on the self-advocacy goal described in Section 124(c)(4)(A)(ii) of the Developmental Disabilities Act.

5. Determine customer satisfaction with activities supported or conducted by the Council.

D. The Council shall continue to develop the State Developmental Disabilities Plan and submit the State Developmental Disabilities Plan to the Secretary of Health and Human Services after consultation with the Director of the Department of Community Health. The consultation required by this paragraph shall be solely for the purpose of obtaining assurances from this state and ensuring consistency of the State Developmental Disabilities Plan with state law.

E. The Council shall implement the State Developmental Disabilities Plan by conducting and supporting advocacy, capacity building, and systemic change activities, including, but not limited to, any of the following:

1. The Council may support and conduct outreach activities to identify individuals with developmental disabilities and their families who otherwise might not come to the attention of the Council and assist and enable the individuals and families to obtain services, individualized supports, and other forms of assistance, including access to special adaptation of generic community services or specialized services.

2. The Council may support and conduct training for individuals with developmental disabilities, their families, and personnel, including professionals, paraprofessionals, students, volunteers, and other community members, to enable such persons to obtain access to, or to provide, community services, individualized supports, and other forms of assistance, including special adaptation of generic community services or specialized services for individuals with developmental disabilities and their families. To the extent that the Council supports or conducts training activities under this paragraph, such activities shall contribute to the achievement of the purpose of Subtitle B of the Developmental Disabilities Act.

3. The Council may support and conduct technical assistance activities to assist public and private entities to contribute to the achievement of the purpose of Subtitle B of the Developmental Disabilities Act.

4. The Council may support and conduct activities to assist neighborhoods and communities to respond positively to individuals with developmental disabilities and their families by any of the following:

a. Encouraging local networks to provide informal and formal supports.

b. Education.

c. Enabling neighborhoods and communities to offer individuals with developmental disabilities and their families access to, and use of, services, resources, and opportunities.

5. The Council may support and conduct activities to promote interdepartmental and interagency collaboration and coordination to better serve, support, assist, or advocate for individuals with developmental disabilities and their families.

6. The Council may support and conduct activities to enhance coordination of services with other councils, groups, entities, or committees, authorized by federal or state law concerning individuals with disabilities and other groups or entities as authorized under Section 125(c)(5)(G) of the Developmental Disabilities Act.

7. The Council may support and conduct activities to eliminate barriers to access and use of community services by individuals with developmental disabilities, enhance systems design and redesign, and enhance citizen participation to address issues identified in the State Developmental Disabilities Plan.

8. The Council may support and conduct activities to educate the public about the capabilities, preferences, and needs of individuals with developmental disabilities and their families and to develop and support coalitions that support the policy agenda of the Council, including training in self-advocacy, education of policymakers, and citizen leadership skills.

9. The Council may support and conduct activities to provide information to policymakers by supporting and conducting studies and analyses, gathering information, and developing and disseminating model policies and procedures, information, approaches, strategies, findings, conclusions, and recommendations. The Council may provide the information

directly to federal, state, and local policymakers, including, but not limited to, Congress, the federal executive branch, the Governor, the Michigan Legislature, and state departments and agencies, in order to increase the ability of the policymakers to offer opportunities and to enhance or adapt generic services to meet the needs of, and provide specialized services to, individuals with developmental disabilities and their families.

10. The Council may support and conduct, on a time-limited basis, activities to demonstrate new approaches to serving individuals with developmental disabilities that are a part of an overall strategy for systemic change. The strategy may involve the education of policymakers and the public about how to deliver effectively, to individuals with developmental disabilities and their families, services, supports, and assistance that contribute to the achievement of the purpose of Subtitle B of the Developmental Disabilities Act. The Council may carry out this paragraph by supporting and conducting demonstration activities through sources of available funding other than funding provided under Subtitle B of the Developmental Disabilities Act, and by assisting entities conducting demonstration activities to develop strategies to secure funding from other sources.

11. The Council may support and conduct other advocacy, capacity building, and systemic change activities to promote the development of a coordinated, consumer- and family-centered, consumer- and family-directed, comprehensive system of community services, individualized supports, and other forms of assistance that contribute to the achievement of the purpose of Subtitle B of the Developmental Disabilities Act.

F. The Council shall periodically review the activities of the Department of Community Health carried out under Subtitle B of the Developmental Disabilities Act and report any recommendations for change to the Governor.

G. The Council shall annually prepare and transmit to the Secretary of Health and Human services a report as required by Section 125(c)(7) of the Developmental Disabilities Act.

H. The Council shall prepare, approve, and implement a budget using amounts paid to the this state under Subtitle B of the Developmental Disabilities Act to fund and implement all programs, projects, and activities carried out under Subtitle B of the Developmental Disabilities Act, including all of the following, consistent with the requirements of state and federal law and Council policy:

1. Conducting hearings and forums as the Council determines necessary to carry out the duties of the Council.

2. Reimbursing members of the Council for reasonable and necessary expenses, including expenses for child care and personal assistance services, for attending Council meetings and performing Council duties.

3. Paying a stipend to a member of the Council, if the member is not employed or must forfeit wages from other employment to attend Council meetings or perform other Council duties.

4. Supporting Council member and staff travel to authorized training and technical assistance activities, including in-service training and leadership development activities.

5. Carrying out appropriate contracting and subcontracting activities.

6. Hiring and maintaining such numbers and types of staff, qualified by training and experience and obtaining the services of such professional, consulting, technical, and clerical staff, qualified by training and experience, as the Council determines to be necessary to carry out the functions of the Council under Subtitle B of the Developmental Disabilities Act, subject to applicable federal law and regulations of the Civil Service Commission.

7. Directing the expenditure of funds for grants, contracts, interagency agreements that are binding contracts, and other activities authorized by the State Developmental Disabilities Plan.

I. The Council may participate in the planning, design, or redesign, and monitoring of quality assurance systems of this state that affect individuals with developmental disabilities.

J. The Council also shall fulfill the functions and responsibilities determined by the Governor that are consistent with the Developmental Disabilities Act.

V. OPERATIONS OF THE COUNCIL

A. The Department of Community Health shall provide necessary support services, including qualified staff, to permit the Council to fulfill its responsibilities.

B. The Council shall, consistent with state law and applicable regulations of the Civil Service Commission, recruit and hire a Director of the Council if the position of Director becomes vacant, supervise the Director, and annually evaluate the Director. The Director of the Council shall hire, supervise, and annually evaluate the staff of the Council. Council recruitment, hiring, and dismissal of staff shall be conducted in a manner consistent with state and federal nondiscrimination laws and regulations, including applicable Civil Service Commission regulations. Dismissal of personnel shall be conducted in a manner consistent with state law, applicable Civil Service Commission regulations, and Department of Community Health personnel policies.

C. The staff and other personnel of the Council, while working for the Council, shall be responsible solely for assisting the Council in carrying out its duties, and shall not be assigned duties by the Department or any other entity of this state.

D. The Department and the Council shall maintain a written Memorandum of Agreement to clarify the discharge of administrative responsibilities.

E. The Council may establish committees and subcommittees, and request public participation on advisory groups or panels, including, but not limited to, regional coordinating councils serving as local forums for services coordination

and problem resolution, as it deems necessary. The Council may adopt, reject, or modify recommendations made by committees, subcommittees, advisory groups, or panels.

F. The Council may enter into agreements with state agencies and other providers of services for improvements in services for persons with disabilities.

G. The Council shall conduct its business in accordance with the procedures established under the Open Meetings Act, 1976 PA 267, MCL 15.261 to 15.275.

H. As required under Section 124(c)(5)(D) of the Developmental Disabilities Act, no member of the Council shall cast a vote on any matter that would provide direct financial benefit of the member or otherwise give the appearance of a conflict of interest. As required under Section 125(b)(4)(B) of the Developmental Disabilities Act, a member of the Council appointed under Sections II.D.4 to II.D.9 shall recuse himself or herself from any discussion of grants or contracts for which the member's department, agency, or program is a grantee, contractor, or applicant.

VI. RESCISSIONS

A. The Michigan State Planning Council for Developmental Disabilities established under Executive Order 1977-3 is abolished. Executive Order 1977-3 is rescinded in its entirety.

B. The Michigan Developmental Disabilities Council established by Executive Order 1984-13 is abolished. Executive Order 1984-13 is rescinded in its entirety.

VII. MISCELLANEOUS

A. Nothing in this Order shall be construed to authorize the Council to direct, control, or exercise any policymaking authority or administrative authority over any program assisted under the federal Rehabilitation Act of 1973 or the federal Individuals with Disabilities Education Act.

B. Any rules, orders, contracts, and agreements relating to the assigned functions lawfully adopted prior to the effective date of this Order shall continue to be effective until revised, amended, or repealed.

C. Any suit, action, or other proceeding lawfully commenced by, against, or before any entity affected by this Order, shall not abate by reason of the taking effect of this Order. Any suit, action, or other proceeding may be maintained by, against, or before the appropriate successor of any entity affected by this Order.

D. The invalidity of any portion of this Order shall not affect the validity of the remainder of the Order, which may be given effect without any invalid portion. Any portion of this Order found invalid by a court or other entity with proper jurisdiction shall be severable from the remaining portions of this Order.

This Order is effective upon filing.

[SEAL]

Given under my hand and the Great Seal of the State of Michigan this 21st day of July, in the year of our Lord, two thousand and six.

Jennifer M. Granholm
Governor
By the Governor:
Terri L. Land
Secretary of State

The message was referred to the Clerk.

The following message from the Governor was received July 21, 2006 and read:

EXECUTIVE ORDER
No. 2006 – 13

DEPARTMENT OF ENVIRONMENTAL QUALITY
DEPARTMENT OF LABOR AND ECONOMIC GROWTH
MICHIGAN STRATEGIC FUND

EXECUTIVE REORGANIZATION

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the State of Michigan in the Governor;

WHEREAS, Section 2 of Article V of the Michigan Constitution of 1963 empowers the Governor to make changes in the organization of the executive branch or in the assignment of functions among its units that the Governor considers necessary for efficient administration;

WHEREAS, the organization of economic development functions within state government can benefit from regular review and periodic reorganization;

WHEREAS, improvements in the organization of state government are necessary to provide Michigan residents and job providers with improved delivery of state services;

WHEREAS, it is necessary in the interests of efficient administration and effectiveness of government to change the organization of the executive branch of state government;

NOW, THEREFORE, I, Jennifer M. Granholm, Governor of the State of Michigan, by virtue of the power vested in the Governor by the Michigan Constitution of 1963 and Michigan law direct the following:

I. DEFINITIONS

As used in this Order:

A. "Brownfield Redevelopment Board" means the board created within the Department of Environmental Quality under Section 20104a of the Natural Resources and Environmental Protection Act, 1994 PA 451, MCL 324.20104a.

B. "Department of Environmental Quality" means the principal department of state government created under Executive Order 1995-18, MCL 324.99903.

C. "Michigan Economic Growth Authority" means the authority created under the Michigan Economic Growth Authority Act, 1995 PA 24, MCL 207.801 to 207.810, and transferred to the Michigan Strategic Fund under Executive Order 1999-1, MCL 408.40.

D. "Michigan Strategic Fund" means the public body corporate and politic created under Section 5 of the Michigan Strategic Fund Act, 1984 PA 270, MCL 125.2005.

II. MICHIGAN ECONOMIC GROWTH AUTHORITY

A. The position as a member of the Michigan Economic Growth Authority designated for the Director of the Michigan Jobs Commission or his or her authorized representative under Section 4(2)(a) of the Michigan Economic Growth Authority Act, 1995 PA 24, MCL 207.804(2)(a), and transferred to the Chief Executive Officer of the Michigan Economic Development Corporation or his or her authorized representative under Executive Order 2003-18, MCL 445.2011, is transferred to the President of the Michigan Strategic Fund. The President of the Michigan Strategic Fund, or his or her authorized representative from within the Michigan Strategic Fund, shall serve as a member of the Michigan Economic Growth Authority.

B. The designation as Chairperson of the Michigan Economic Growth Authority provided for the Director of the Michigan Jobs Commission or his or her authorized representative under Section 4(2)(a) of the Michigan Economic Growth Authority Act, 1995 PA 24, MCL 207.804(2)(a), and transferred to the Director of the Department of Labor and Economic Growth under Executive Order 2003-18, MCL 445.2011, is transferred to the President of the Michigan Strategic Fund or his or her authorized representative from within the Michigan Strategic Fund. The President of the Michigan Strategic Fund, or his or her authorized representative from within the Michigan Strategic Fund serving as a member of the Michigan Economic Growth Authority under Section II.A, shall serve as the Chairperson of the Michigan Economic Growth Authority.

III. BROWNFIELD REDEVELOPMENT BOARD

A. The position on the Brownfield Redevelopment Board created under Section 20104a of the Natural Resources and Environmental Protection Act, 1994 PA 451, MCL 324.20104a, designated for the Chief Executive Officer of the Michigan Jobs Commission or his or her designee and transferred to the Director of the Department of Labor and Economic Growth or his or her authorized representative under Executive Order 2003-18, MCL 445.2011, is transferred to the President of the Michigan Strategic Fund. The President of the Michigan Strategic Fund, or his or her authorized representative from within the Michigan Strategic Fund, shall serve as a member of the Brownfield Redevelopment Board.

B. The Director of the Department of Environmental Quality or the authorized representative of the Director of the Department of Environmental Quality serving as a member of the Brownfield Development Board shall serve as the Chairperson of the Brownfield Redevelopment Board.

IV. MISCELLANEOUS

A. The President of the Michigan Strategic Fund shall provide executive direction and supervision for the implementation of all transfers under this Order.

B. The President of the Michigan Strategic Fund shall administer the assigned functions transferred under this Order in such ways as to promote efficient administration.

C. The President of the Michigan Strategic Fund may delegate within the Michigan Strategic Fund a duty or power conferred on the President of the Michigan Strategic Fund by this Order or by other law or order, and the individual to whom the duty or power is delegated may perform the duty or exercise the power at the time and to the extent that the power is delegated by the President of the Michigan Strategic Fund.

D. All rules, orders, contracts, and agreements relating to the functions transferred under this Order lawfully adopted prior to the effective date of this Order shall continue to be effective until revised, amended, repealed, or rescinded.

E. Any suit, action, or other proceeding lawfully commenced by, against, or before any entity affected by this Order, shall not abate by reason of the taking effect of this Order. Any suit, action, or other proceeding may be maintained by, against, or before the appropriate successor of any entity affected by this Order.

F. The invalidity of any portion of this Order shall not affect the validity of the remainder of the Order, which may be given effect without any invalid portion. Any portion of this Order found invalid by a court or other entity with proper jurisdiction shall be severable from the remaining portions of this Order.

In fulfillment of the requirements under Section 2 of Article V of the Michigan Constitution of 1963, the provisions of this Order are effective September 24, 2006 at 12:01 a.m.

[SEAL]

Given under my hand and the Great Seal of the State of Michigan this 21st day of July, in the year of our Lord, two thousand and six.

Jennifer M. Granholm
Governor
By the Governor:
Terri L. Land
Secretary of State

The message was referred to the Clerk.

The following message from the Governor was received July 21, 2006 and read:

EXECUTIVE ORDER
No. 2006 – 14

AMENDMENT OF EXECUTIVE ORDER 2003-8
GOVERNOR'S COUNCIL OF ECONOMIC ADVISORS

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the State of Michigan in the Governor;

WHEREAS, Executive Order 2003-8 reestablished the Governor's Council of Economic Advisors;

WHEREAS, the organization of economic development functions within state government can benefit from regular review and periodic reorganization;

NOW, THEREFORE, I, Jennifer M. Granholm, Governor of the State of Michigan, by virtue of the power vested in the Governor by the Michigan Constitution of 1963 and Michigan law order the following:

A. Section I.A of Executive Order 2003-8 is amended to read as follows:

"A. The Governor's Council of Economic Advisors ("Council") is created as an advisory body within the Michigan Strategic Fund."

B. Section I.C of Executive Order 2003-8 is amended to read as follows:

"C. The Director of the Department of Labor and Economic Growth, the President of the Michigan Strategic Fund, and the State Treasurer shall serve as non-voting ex officio, members of the Council."

C. Section III.A of Executive Order 2003-8 is amended to read as follows:

"The President of the Michigan Strategic Fund shall serve as the Chairperson of the Council."

D. Section III.C of Executive Order 2003-8 is amended to read as follows:

"The Council shall be staffed by personnel from and be assisted by the Michigan Strategic Fund."

E. Section III.I of Executive Order 2003-8 is amended to read as follows:

"The Council may hire or retain such contractors, sub-contractors, advisors, consultants and agents, and may make and enter into contracts necessary or incidental to the exercise of the powers of the Council and the performance of its duties as the President of the Michigan Strategic Fund deems advisable and necessary, in accordance with any applicable statutes, rules, and procedures of the Civil Service Commission or the Department of Management and Budget."

F. Section III.K of Executive Order 2003-8 is amended to read as follows:

"Members of the Council shall refer all legal, legislative, and media contacts to the President of the Michigan Strategic Fund."

This Order is effective upon filing.

[SEAL]

Given under my hand and the Great Seal of the State of Michigan this 21st day of July, in the year of our Lord, two thousand and six.

Jennifer M. Granholm
Governor
By the Governor:
Terri L. Land
Secretary of State

The message was referred to the Clerk.

The following message from the Governor was received July 21, 2006 and read:

EXECUTIVE ORDER
No. 2006 – 15

AMENDMENT OF EXECUTIVE ORDER 2004-36
COUNCIL FOR LABOR AND ECONOMIC GROWTH

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the State of Michigan in the Governor;

WHEREAS, under Section 111 of the federal Workforce Investment Act of 1998, Public Law 105-220, as amended, 29 USC 2821, the Governor must establish a state workforce investment board;

WHEREAS, Executive Order 2004-36 established the Council for Labor and Economic Growth as the workforce investment board for the State of Michigan;

WHEREAS, changes in the structure of the Council for Labor and Economic Growth will facilitate a statewide policy dialogue involving local workforce boards, universities, community colleges, K-12 schools, appropriate state officials, and other key stakeholders;

WHEREAS, the organization of economic development functions within state government can benefit from regular review and periodic reorganization;

NOW, THEREFORE, I, Jennifer M. Granholm, Governor of the State of Michigan, by virtue of the power vested in the Governor by the Michigan Constitution of 1963 and Michigan law order the following:

Section II.G of Executive Order 2004-36 is amended to read as follows:

"G. The following state officers shall serve as voting ex officio members of the Council:

a. The Director of the Department of Community Health.

b. The Director of the Department of Human Services.

c. The Director of the Department of Labor and Economic Growth.

d. The President of the Michigan Strategic Fund.

e. The Superintendent of Public Instruction.".

This Order is effective upon filing.

[SEAL]

Given under my hand and the Great Seal of the State of Michigan this 21st day of July, in the year of our Lord, two thousand and six.

Jennifer M. Granholm
Governor
By the Governor:
Terri L. Land
Secretary of State

The message was referred to the Clerk.

Date: July 14, 2006
Time: 11:41 a.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 5952 (Public Act No. 287, I.E.), being

An act to amend 2000 PA 403, entitled "An act to prescribe a tax on the sale and use of certain types of fuel in motor vehicles on the public roads or highways of this state and on certain other types of gas; to prescribe the manner and the time of collection and payment of this tax and the duties of officials and others pertaining to the payment and collection of this tax; to provide for the licensing of persons involved in the sale, use, or transportation of motor fuel and the collection and payment of the tax imposed by this act; to prescribe fees; to prescribe certain other powers and duties of certain state agencies and other persons; to provide for exemptions and refunds and for the disposition of the proceeds of this tax; to provide for appropriations from the proceeds of this tax; to prescribe remedies and penalties for the violation of this act; and to repeal acts and parts of acts," by repealing section 124 (MCL 207.1124).

(Filed with the Secretary of State July 20, 2006, at 8:11 a.m.)

Date: July 14, 2006
Time: 1:40 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 5953 (Public Act No. 288, I.E.), being

An act to amend 1909 PA 259, entitled "An act to provide that judgments of divorce and judgments of separate maintenance shall make provision in satisfaction of the claims of the wife in the property of the husband and in

satisfaction of the claims of the husband and wife in contracts of insurance and annuity upon the life of the husband or wife, and in satisfaction of claims of the husband and wife in or to any pension, annuity, retirement allowance, or accumulated contributions in any pension, annuity, or retirement system, including any rights or contingent rights in and to unvested pension, annuity, or retirement benefits; and to change the tenure of lands owned by husband and wife in case of divorce, and to provide for the disposition or partition of such lands or the proceeds thereof," by amending section 1 (MCL 552.101), as amended by 1985 PA 42.

(Filed with the Secretary of State July 20, 2006, at 8:13 a.m.)

Date: July 14, 2006
Time: 11:50 a.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 6196 (Public Act No. 289, I.E.), being

An act to amend 1956 PA 218, entitled "An act to revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation over worker's compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to provide for an appropriation; to repeal acts and parts of acts; and to provide penalties for the violation of this act," by amending section 5248 (MCL 500.5248).

(Filed with the Secretary of State July 20, 2006, at 8:15 a.m.)

Date: July 14, 2006
Time: 11:48 a.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 6195 (Public Act No. 290, I.E.), being

An act to amend 1956 PA 218, entitled "An act to revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and

purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation over worker's compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to provide for an appropriation; to repeal acts and parts of acts; and to provide penalties for the violation of this act," by amending section 5245 (MCL 500.5245).

(Filed with the Secretary of State July 20, 2006, at 8:17 a.m.)

Date: July 14, 2006
Time: 11:46 a.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 6194 (Public Act No. 291, I.E.), being

An act to amend 1956 PA 218, entitled "An act to revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation over worker's compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to provide for an appropriation; to repeal acts and parts of acts; and to provide penalties for the violation of this act," by amending section 5238 (MCL 500.5238), as amended by 1989 PA 139.

(Filed with the Secretary of State July 20, 2006, at 8:19 a.m.)

Date: July 18, 2006
Time: 7:42 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 5955 (Public Act No. 292, I.E.), being

An act to amend 1917 PA 273, entitled "An act to regulate and license pawnbrokers in certain governmental units of this state; and to prescribe certain powers and duties of certain local governmental units and state agencies," by amending sections 1 and 3 (MCL 446.201 and 446.203), section 1 as amended by 2004 PA 585 and section 3 as amended by 2002 PA 469.

(Filed with the Secretary of State July 20, 2006, at 8:21 a.m.)

Date: July 18, 2006
Time: 7:44 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 5956 (Public Act No. 293, I.E.), being

An act to amend 1945 PA 231, entitled "An act to prescribe additional regulations and requirements for pawnbrokers, secondhand dealers and junk dealers; to provide for the taking of fingerprints and the making of reports to enforcement officers; to prescribe penalties for the violation of the provisions of this act; and to declare the effect of this act," by amending sections 1 and 6 (MCL 445.471 and 445.476).

(Filed with the Secretary of State July 20, 2006, at 8:23 a.m.)

Date: July 18, 2006
Time: 7:46 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 5957 (Public Act No. 294, I.E.), being

An act to amend 1917 PA 350, entitled "An act to regulate and license second hand dealers and junk dealers; and to prescribe penalties for the violation of the provisions of this act," by amending sections 1 and 3 (MCL 445.401 and 445.403).

(Filed with the Secretary of State July 20, 2006, at 8:25 a.m.)

Date: July 18, 2006
Time: 7:48 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 5958 (Public Act No. 295, I.E.), being

An act to amend 1981 PA 95, entitled "An act to regulate the business of buying and receiving gold, silver, platinum, gems, jewelry, and other precious items; to provide powers to certain state and local officers and agencies with respect to such regulation; to provide for the registration of precious metal and gem dealers; to provide for civil damages; and to prescribe penalties," by amending sections 2 and 3 (MCL 445.482 and 445.483), section 2 as amended by 1990 PA 34.

(Filed with the Secretary of State July 20, 2006, at 8:27 a.m.)

Date: July 18, 2006
Time: 7:52 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 4807 (Public Act No. 297, I.E.), being

An act to amend 1956 PA 62, entitled "An act to authorize the director of the department of state police to promulgate a uniform traffic code; to authorize a city, township, or village to adopt the uniform traffic code by reference without publication in full; and to prescribe criminal penalties and civil sanctions for violation of the code," by amending section 1 (MCL 257.951), as amended by 1998 PA 69.

(Filed with the Secretary of State July 20, 2006, at 8:31 a.m.)

Date: July 18, 2006
Time: 7:54 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 6084 (Public Act No. 298, I.E.), being

An act to amend 1949 PA 300, entitled "An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of owners and operators of vehicles and service of process on residents and nonresidents; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to impose liability upon the state or local agencies; to provide appropriations for certain purposes; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date," by amending sections 248f, 302, 302a, 303, 306, 307, 307a, 312e, 312f, 314, 319b, 319f, 319g, 324, 732, 741, 743, 746, 801c, 811k, and 907 (MCL 257.248f, 257.302, 257.302a, 257.303, 257.306, 257.307, 257.307a, 257.312e, 257.312f, 257.314, 257.319b, 257.319f, 257.319g, 257.324, 257.732, 257.741, 257.743, 257.746, 257.801c, 257.811k, and 257.907), section 248f as added by 1993 PA 300, section 302 as amended by 1991 PA 100, section 302a as added by 1990 PA 181, sections 303 and 307 as amended by 2005 PA 142, sections 306, 312f, and 314 as amended by 2004 PA 362, section 307a as added and section 743 as amended by 1988 PA 346, section 312e as amended by 2006 PA 212, sections 319b, 319g, and 732 as amended by 2004 PA 495, section 319f as added by 1996 PA 404, section 324 as amended by 2001 PA 159, section 746 as amended by 1980 PA 426, section 801c as amended by 1980 PA 281, section 811k as added by 2000 PA 73, and section 907 as amended by 2005 PA 1, and by adding section 303a.

(Filed with the Secretary of State July 20, 2006, at 8:33 a.m.)

Date: July 18, 2006
Time: 7:56 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 4870 (Public Act No. 299, I.E.), being

An act to amend 1998 PA 386, entitled "An act to codify, revise, consolidate, and classify aspects of the law relating to wills and intestacy, relating to the administration and distribution of estates of certain individuals, relating to trusts, and relating to the affairs of certain individuals under legal incapacity; to provide for the powers and procedures of the court that has jurisdiction over these matters; to provide for the validity and effect of certain transfers, contracts, and deposits that relate to death; to provide procedures to facilitate enforcement of certain trusts; and to repeal acts and parts of acts," by amending sections 1104, 3614, and 3701 (MCL 700.1104, 700.3614, and 700.3701), section 1104 as amended by 2005 PA 204 and section 3614 as amended by 2004 PA 343, and by adding sections 3206, 3207, 3208, and 3209.

(Filed with the Secretary of State July 20, 2006, at 8:35 a.m.)

Date: July 18, 2006
Time: 7:58 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 4891 (Public Act No. 300, I.E.), being

An act to amend 1980 PA 299, entitled "An act to revise, consolidate, and classify the laws of this state regarding the regulation of certain occupations; to create a board for each of those occupations; to establish the powers and duties of certain departments and agencies and the boards of each occupation; to provide for the promulgation of rules; to provide for certain fees; to provide for penalties and civil fines; to establish rights, relationships, and remedies of certain persons under certain circumstances; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts," by amending sections 1801 and 1810 (MCL 339.1801 and 339.1810), section 1810 as amended by 1990 PA 15.

(Filed with the Secretary of State July 20, 2006, at 8:37 a.m.)

Date: July 18, 2006
Time: 8:00 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 5836 (Public Act No. 301, I.E.), being

An act to amend 1978 PA 368, entitled "An act to protect and promote the public health; to codify, revise, consolidate, classify, and add to the laws relating to public health; to provide for the prevention and control of diseases and disabilities; to provide for the classification, administration, regulation, financing, and maintenance of personal, environmental, and other health services and activities; to create or continue, and prescribe the powers and duties of, departments, boards, commissions, councils, committees, task forces, and other agencies; to prescribe the powers and duties of governmental entities and officials; to regulate occupations, facilities, and agencies affecting the public health; to regulate health maintenance organizations and certain third party administrators and insurers; to provide for the imposition of a regulatory fee; to provide for the levy of taxes against certain health facilities or agencies; to promote the efficient and economical delivery of health care services, to provide for the appropriate utilization of health care facilities and services, and to provide for the closure of hospitals or consolidation of hospitals or services; to provide for the collection and use of data and information; to provide for the transfer of property; to provide certain immunity from liability; to regulate and prohibit the sale and offering for sale of drug paraphernalia under certain circumstances; to provide for the implementation of federal law; to provide for penalties and remedies; to provide for sanctions for violations of this act and local ordinances; to provide for an appropriation and supplements; to repeal certain acts and parts of acts; to repeal certain parts of this act; and to repeal certain parts of this act on specific dates," by amending sections 2652, 2653, 2655, 2658, 2663, 2851, 2855, and 10108 (MCL 333.2652, 333.2653, 333.2655, 333.2658, 333.2663, 333.2851, 333.2855, and 333.10108), section 2851 as added by 1996 PA 284, section 2855 as amended by 1982 PA 3, and section 10108 as amended by 1986 PA 186; and to repeal acts and parts of acts.

(Filed with the Secretary of State July 20, 2006, at 8:39 a.m.)

Date: July 18, 2006
Time: 8:02 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 6175 (Public Act No. 302, I.E.), being

An act to amend 1950 (Ex Sess) PA 27, entitled "An act defining and regulating certain installment sales of motor vehicles; prescribing the conditions under which such sales may be made and regulating the financing thereof; regulating and licensing persons engaged in the business of making or financing such sales; prescribing the form, contents and effect of instruments used in connection with such sales and the financing thereof; prescribing certain rights and obligations of buyers, sellers, persons financing such sales and others; limiting charges in connection with such instruments and fixing maximum interest rates for delinquencies, extensions and loans; regulating insurance in connection with such sales; regulating repossessions, redemptions, resales and deficiency judgments and the rights of parties with respect thereto; authorizing extensions, loans and forbearances related to such sales; authorizing investigations and examinations of persons engaged in the business of making or financing such sales; transferring certain powers and duties with respect to finance companies to the commissioner of the financial institutions bureau; and prescribing penalties," by amending section 17 (MCL 492.117).

(Filed with the Secretary of State July 20, 2006, at 8:41 a.m.)

Date: July 19, 2006
Time: 8:37 a.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 5456 (Public Act No. 304, I.E.), being

An act 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, 6, and 8 (MCL 125.2683, 125.2686, and 125.2688), section 3 as amended by 2005 PA 275, section 6 as amended by 2006 PA 116, and section 8 as amended by 2003 PA 266.

(Filed with the Secretary of State July 20, 2006, at 8:45 a.m.)

Date: July 18, 2006
Time: 7:17 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 5143 (Public Act No. 309, I.E.), being

An act to clarify the rights and duties of self-defense and the defense of others.

(Filed with the Secretary of State July 20, 2006, at 8:54 a.m.)

Date: July 18, 2006
Time: 7:19 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 5153 (Public Act No. 310, I.E.), being

An act to exempt an individual who uses deadly force or force other than deadly force from criminal prosecution under certain circumstances; to establish certain procedures; and to prescribe the duties of certain public officials.

(Filed with the Secretary of State July 20, 2006, at 8:56 a.m.)

Date: July 18, 2006
Time: 7:25 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 5142 (Public Act No. 313, I.E.), being

An act to amend 1927 PA 175, entitled "An act to revise, consolidate, and codify the laws relating to criminal procedure and to define the jurisdiction, powers, and duties of courts, judges, and other officers of the court under the provisions of this act; to provide laws relative to the rights of persons accused of criminal offenses and ordinance violations; to provide for the arrest of persons charged with or suspected of criminal offenses and ordinance violations; to provide for bail of persons arrested for or accused of criminal offenses and ordinance violations; to provide for the examination of persons accused of criminal offenses; to regulate the procedure relative to grand juries, indictments, informations, and proceedings before trial; to provide for trials of persons complained of or indicted for criminal offenses and ordinance violations and to provide for the procedure in those trials; to provide for judgments and sentences of persons convicted of criminal offenses and ordinance violations; to establish a sentencing commission and to prescribe its powers and duties; to provide for procedure relating to new trials and appeals in criminal and ordinance violation cases; to provide a uniform system of probation throughout this state and the appointment of probation officers; to prescribe the powers, duties, and compensation of probation officers; to provide penalties for the violation of the duties of probation officers; to provide for procedure governing proceedings to prevent crime and proceedings for the discovery of crime; to provide for fees of officers, witnesses, and others in criminal and ordinance violation cases; to set forth miscellaneous provisions as to criminal procedure in certain cases; to provide penalties for the violation of certain provisions of this act; and to repeal all acts and parts of acts inconsistent with or contravening any of the provisions of this act," (MCL 760.1 to 777.69) by adding section 21c to chapter VIII.

(Filed with the Secretary of State July 20, 2006, at 9:02 a.m.)

Date: July 18, 2006
Time: 7:27 p.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 5548 (Public Act No. 314, I.E.), being

An act to amend 1961 PA 236, entitled "An act to revise and consolidate the statutes relating to the organization and jurisdiction of the courts of this state; the powers and duties of such courts, and of the judges and other officers thereof; the forms and attributes of civil claims and actions; the time within which civil actions and proceedings may be brought in said courts; pleading, evidence, practice and procedure in civil and criminal actions and proceedings in said courts; to provide remedies and penalties for the violation of certain provisions of this act; to repeal all acts and parts of acts inconsistent with or contravening any of the provisions of this act; and to repeal acts and parts of acts," (MCL 600.101 to 600.9947) by adding section 2922b.

(Filed with the Secretary of State July 20, 2006, at 9:04 a.m.)

Date: July 20, 2006
Time: 6:57 a.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 5967 (Public Act No. 316, I.E.), being

An act to amend 1953 PA 232, entitled "An act to revise, consolidate, and codify the laws relating to probationers and probation officers, to pardons, reprieves, commutations, and paroles, to the administration of correctional institutions, correctional farms, and probation recovery camps, to prisoner labor and correctional industries, and to the supervision and inspection of local jails and houses of correction; to provide for the siting of correctional facilities; to create a state department of corrections, and to prescribe its powers and duties; to provide for the transfer to and vesting in said department of powers and duties vested by law in certain other state boards, commissions, and officers, and to abolish certain boards, commissions, and offices the powers and duties of which are transferred by this act; to allow for the operation of certain facilities by private entities; to prescribe the powers and duties of certain other state departments and agencies; to provide for the creation of a local lockup advisory board; to prescribe penalties for the violation of the provisions of this act; to make certain appropriations; to repeal certain parts of this act on specific dates; and to repeal all acts and parts of acts inconsistent with the provisions of this act," by amending sections 36 and 40a (MCL 791.236 and 791.240a), section 36 as amended by 2006 PA 168 and section 40a as amended by 1993 PA 346.

(Filed with the Secretary of State July 20, 2006, at 10:37 a.m.)

Date: July 20, 2006
Time: 9:29 a.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 5581 (Public Act No. 320, I.E.), being

An act to amend 1990 PA 187, entitled "An act to regulate the equipment, maintenance, operation, and use of school buses and pupil transportation vehicles; to prescribe the qualifications of school bus and pupil transportation vehicle drivers; to prescribe the powers and duties of certain state and local governmental agencies; to create an advisory committee and to prescribe its powers and duties; and to prescribe remedies and penalties," by amending section 55 (MCL 257.1855), as amended by 2006 PA 108.

(Filed with the Secretary of State July 20, 2006, at 10:45 a.m.)

Date: July 20, 2006
Time: 9:31 a.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 6047 (Public Act No. 321, I.E.), being

An act to amend 1994 PA 451, entitled "An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, assessments, and donations; to provide certain appropriations; to prescribe penalties and provide remedies; and to repeal acts and parts of acts," (MCL 324.101 to 324.90106) by adding sections 21553, 21554, 21555, 21556, and 21557.

(Filed with the Secretary of State July 20, 2006, at 10:47 a.m.)

Date: July 20, 2006
Time: 9:33 a.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 6202 (Public Act No. 322, I.E.), being

An act to amend 1994 PA 451, entitled "An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, assessments, and donations; to provide certain appropriations; to prescribe penalties and provide remedies; and to repeal acts and parts of acts," (MCL 324.101 to 324.90106) by adding sections 21558, 21559, 21560, 21561, 21562, and 21563.

(Filed with the Secretary of State July 20, 2006, at 10:49 a.m.)

Date: July 20, 2006
Time: 9:35 a.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 4971 (Public Act No. 323, I.E.), being

An act to amend 1975 PA 228, entitled "An act to provide for the imposition, levy, computation, collection, assessment and enforcement, by lien or otherwise, of taxes on certain commercial, business, and financial activities; to prescribe the manner and times of making certain reports and paying taxes; to prescribe the powers and duties of public officers and state departments; to permit the inspection of records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits, and refunds; to provide penalties; to provide for the disposition of funds; to provide for the interrelation of this act with other acts; and to provide an appropriation," (MCL 208.1 to 208.145) by adding section 32.

(Filed with the Secretary of State July 20, 2006, at 10:51 a.m.)

Date: July 20, 2006
Time: 10:08 a.m.

To the Speaker of the House of Representatives:

Sir—I have this day approved and signed

Enrolled House Bill No. 4375 (Public Act No. 324, I.E.), being

An act to amend 1976 PA 451, entitled "An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and clarify the laws relating to elementary and secondary education; to provide for the organization, regulation, and maintenance of schools, school districts, public school academies, intermediate school districts, and other public school entities; to prescribe rights, powers, duties, and privileges of schools, school districts, public school academies, intermediate school districts, and other public school entities; to provide for the regulation of school teachers and certain other school employees; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts of acts," (MCL 380.1 to 380.1852) by adding section 1171.

(Filed with the Secretary of State July 20, 2006, at 10:53 a.m.)

Communications from State Officers

The following communications from the Secretary of State were received and read:

Notices of Filing
Administrative Rules

April 28, 2006

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6 this is to advise you that the Michigan Department of Labor and Economic Growth, State Office of Administrative Hearings and Rules filed at 4:45 P.M. this date, administrative rule (06-04-03) for the Department of Labor and Economic Growth, Director's Office, entitled "*Part 8. Portable Fire Extinguishers*" These rules become effective 14 days after filing with the Secretary of State.

April 28, 2006

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6 this is to advise you that the Michigan Department of Labor and Economic Growth, State Office of Administrative Hearings and Rules filed at 4:47 P.M. this date, administrative rule (06-04-04) for the Department of Labor and Economic Growth, Director's Office, entitled "*Part 7. Disciplinary Proceedings*" These rules become effective immediately upon filing with the Secretary of State unless adopted under sections 33, 44, or 45a(6) of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

May 3, 2006

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6 this is to advise you that the Michigan Department of Labor and Economic Growth, State Office of Administrative Hearings and Rules filed at 3:52 P.M. this date, administrative rule (06-05-01) for the Department of Community Health, Director's Office, entitled "*Board of Chiropractic Rules*" These rules become effective immediately upon filing with the Secretary of State unless adopted under sections 33, 44, or 45a(6), or 48 of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

May 19, 2006

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6 this is to advise you that the Michigan Department of Labor and Economic Growth, State Office of Administrative Hearings and Rules filed at 3:55 P.M. this date, administrative rule (06-05-02) for the Department of Military and Veteran's Affairs, Military Family Relief Fund, entitled "*Military Family Relief Fund, Procedure for Review of Applications and Disbursement of Funds*" These rules become effective immediately upon filing with the Secretary of State unless adopted under sections 33, 44, or 45a(6), of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

May 19, 2006

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6 this is to advise you that the Michigan Department of Labor and Economic Growth, State Office of Administrative Hearings and Rules filed at 3:57 P.M. this date, administrative rule (06-05-03) for the Department of Labor and Economic Growth, Director's Office "*Residential Builders and Maintenance and Alteration Contractors*" These rules become effective immediately upon filing with the Secretary of State unless adopted under sections 33, 44, or 45a(6), of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

May 26, 2006

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6 this is to advise you that the Michigan Department of Labor and Economic Growth, State Office of Administrative Hearings and Rules filed at 11:56 A.M. this date, administrative rule (06-05-04) for the Department of Community Health, Bureau of Epidemiology "*Communicable and Related Diseases*" These rules become effective immediately upon filing with the Secretary of State unless adopted under sections 33, 44, or 45a(6), or 48 of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

May 26, 2006

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6 this is to advise you that the Michigan Department of Labor and Economic Growth, State Office of Administrative Hearings and Rules filed at 11:58 A.M. this date, administrative rule (06-05-05) for the Department of Labor and Economic Growth, Director's Office "*Cosmetology*" These rules become effective immediately upon filing with the Secretary of State unless adopted under sections 33, 44, or 45a(6), of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

June 2, 2006

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6 this is to advise you that the Michigan Department of Labor and Economic Growth, State Office of Administrative Hearings and Rules filed at 1:29 P.M. this date, administrative rule (06-06-01) for the Department of Labor and Economic Growth, Director's Office "*Real Estate Appraisers*" These rules become effective immediately upon filing with the Secretary of State unless adopted under sections 33, 44, or 45a(6), of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

June 8, 2006

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6 this is to advise you that the Michigan Department of Labor and Economic Growth, State Office of

Administrative Hearings and Rules filed at 4:48 P.M. this date, administrative rule (06-06-02) for the Department of Labor and Economic Growth, Director's Office "*Prepaid Funeral and Cemetery Sales*" These rules become effective immediately upon filing with the Secretary of State unless adopted under sections 33, 44, or 45a(6), of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

June 9, 2006

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6 this is to advise you that the Michigan Department of Labor and Economic Growth, State Office of Administrative Hearings and Rules filed at 3:59 P.M. this date, administrative rule (06-06-03) for the Department of Human Services, Director's Office "*Child Day Care Licensing – Child Care Center*" These rules take effect 180 days after filing with the Secretary of State.

June 9, 2006

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6 this is to advise you that the Michigan Department of Labor and Economic Growth, State Office of Administrative Hearings and Rules filed at 4:01 P.M. this date, administrative rule (06-06-04) for the Department of State Police, Michigan Commission on Law Enforcement Standards "*Law Enforcement Standards and Training*" These rules become effective immediately upon filing with the Secretary of State unless adopted under sections 33, 44, or 45a(6) of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

June 9, 2006

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6 this is to advise you that the Michigan Department of Labor and Economic Growth, State Office of Administrative Hearings and Rules filed at 4:03 P.M. this date, administrative rule (06-06-05) for the Department of Community Health, Director's Office "*Dentistry*" These rules become effective immediately upon filing with the Secretary of State unless adopted under sections 33, 44, or 45a(6) of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

July 3, 2006

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6 this is to advise you that the Michigan Department of Labor and Economic Growth, State Office of Administrative Hearings and Rules filed at 8:45 A.M. this date, administrative rule (06-07-01) for the Department of Labor and Economic Growth, State Office of Administrative Hearings and Rules "*Due Process Procedures For Special Education Hearings*" These rescissions take effect immediately upon filing with the Secretary of State.

Sincerely,
Terri Lynn Land
Secretary of State
Robin Houston, Office Supervisor
Office of the Great Seal

The communications were referred to the Clerk.

The following communications from the Department of Labor and Economic Growth were received and read:

July 2006

The Annual Report, presented to Governor Granholm and prepared pursuant to Section 238 of the Michigan Insurance Code of 1956, 1956 PA 218, MCL 500.238 and Section 2108 of the Michigan Banking Code of 1999, 1999 PA 276, MCL 487.12108, is a valuable reference for information about regulated entities engaged in the business of insurance, banking and securities in Michigan. It is more than just a statistical report, however. We offer updates about each of our areas of the agency, a summary of legislative activity, and descriptions of changes in the status of the entities we regulate.

This annual report is also available on the Office of Financial and Insurance Services (OFIS) web site at www.michigan.gov/ofis under "Publications."

Sincerely,
Linda A. Watters
Commissioner

July 7, 2006

Enclosed are copies of the State of Michigan Unemployment Insurance Agency Single Audits for the fiscal years ended September 30, 2004 and 2005.

Inquiries regarding this information may be addressed to Mr. Rodger M. Palm, Director, Trust Fund, Tax and Employer Compliance at (313) 456-2405 or me at (313) 456-2507.

Sincerely,
Debbie Ciccone
Chief Accountant, U.I. Trust Fund

The communications were referred to the Clerk.

The following communications from the Auditor General were received and read:

July 11, 2006

Enclosed is a copy of the following audit report and/or report summary:
Financial audit of the
Michigan Education Trust Plans B and C,
(A Component Unit of the State of Michigan),
for the period October 1, 2003 through September 30, 2005

July 11, 2005

Enclosed is a copy of the following audit report and/or report summary:
Financial audit of the
Michigan Education Trust Plan D,
(A Component Unit of the State of Michigan),
for the period October 1, 2003 through September 30, 2005

July 12, 2005

Enclosed is a copy of the following audit report and/or report summary:
Financial audit of the
Michigan Economic Development Corporation,
(A Component Unit of the State of Michigan),
for the period October 1, 2003 through September 30, 2005

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

The communications were referred to the Clerk and the accompanying reports referred to the Committee on Government Operations.

The following communication from the Department of Human Services was received and read:

July 12, 2006

Michigan Department of Human Services announces availability of Fiscal Year 2007 Community Services Block Grant (CSBG) State Plan, Low Income Home Energy Assistance Program (LIHEAP) State Plan, and the Title XX Social Services Block Grant (SSBG) State Plan.

In accordance with federal requirements, the LIHEAP state plan and Title XX report will be available for review and comment at local Department of Human Services offices throughout the state beginning July 13, 2006. The CSBG plan will be available for review at community action agency offices throughout Michigan.

Public hearings will be held on the state plans:

July 19, 2006 from 10 a.m. - Noon at Cadillac Place Conference Room L150, 3040 W. Grand Blvd., Detroit, MI.

July 20, 2006 from 10 a.m. - Noon, Grand Tower Room 1D, 235 S. Grand Ave., Lansing, Michigan.

Comments on the state plans will be received from July 13-28, 2006. Written comments may be submitted to Marianne Udow, Director, Michigan Department of Human Services, P.O. Box 30037, Lansing, MI 48909.

Attached please find the 2007 modified LIHEAP Proposed State Plan and the 2005 Final LIHEAP detailed plan for reference. We respectfully request that you distribute it to your members.

Joan B. Lamoreaux
Energy and Emergency Services
Michigan Department of Human Services
235 S. Grand, Suite 1314
PO Box 30037
Lansing, MI 48909
(517) 373-0864
(517) 335-4801 fax
lamoreauxj@michigan.gov

The communication was referred to the Clerk.

The following communication from the Department of Community Health was received and read:

July 14, 2006

In accordance with MCL 333.7524a., I am pleased to present to the Michigan Legislature the 14th comprehensive report on asset forfeiture. Michigan's asset forfeiture program saves taxpayer money and deprives drug criminals of cash and property obtained through illegal activity. Michigan's law enforcement community has done an outstanding job of stripping drug dealers of illicit gain and utilizing these proceeds to expand and enhance drug enforcement efforts to protect our citizens.

During 2005, over $21.6 million in cash and assets amassed by drug traffickers was forfeited and put back into the fight against drugs through the use of state and federal forfeiture laws. Extensive multi-agency teamwork is evident in this report. Considerable assets were obtained as the result of joint enforcement involving several agencies at the federal, state, and local levels.

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

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

Sincerely,
Donald L. Allen, Jr.
Director

The communication was referred to the Clerk.

The Speaker called the Speaker Pro Tempore to the Chair.

Rep. Sak moved that Reps. Anderson, Gleason and Plakas be excused temporarily from today's session.

The motion prevailed.

By unanimous consent the House returned to the order of

Reports of Select Committees

First Conference Report

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

House Bill No. 5796, entitled

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, the judicial branch, and the legislative branch for the fiscal years ending September 30, 2006 and September 30, 2007; to provide for certain conditions on appropriations; and to provide for the expenditure of the appropriations.

Recommends:

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

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

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, capital outlay, the judicial branch, and the legislative branch for the fiscal years ending September 30, 2006 and September 30, 2007; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

ARTICLE 1

AGRICULTURE

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of agriculture for the fiscal year ending September 30, 2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF AGRICULTURE

APPROPRIATION SUMMARY:

Full-time equated unclassified positions.....6.0
Full-time equated classified positions.....690.0

		For Fiscal Year Ending Sept. 30, 2007
GROSS APPROPRIATION	$	113,628,800
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		10,382,700
ADJUSTED GROSS APPROPRIATION	$	103,246,100
Federal revenues:		
Total federal revenues		23,700,000
Special revenue funds:		
Total local revenues		0
Total private revenues		183,800
Total other state restricted revenues		48,449,000
State general fund/general purpose	$	30,913,300
Sec. 102. EXECUTIVE		
Full-time equated unclassified positions 6.0		
Full-time equated classified positions 51.0		
Commission and boards	$	47,300
Unclassified positions		354,000
Executive direction—10.0 FTE positions		1,119,600
Management services—34.5 FTE positions		2,647,700
Statistical reporting service—4.0 FTE positions		376,000
Emergency management—2.5 FTE positions		232,900
Human resources optimization user charges		40,100
GROSS APPROPRIATION	$	4,817,600
Appropriated from:		
Special revenue funds:		
Agricultural equine industry development fund		50,000
Gasoline inspection and testing fund		57,200
Industry support funds		32,300
Nonretail liquor fees		8,800
Refined petroleum fund		229,900
State services fee fund		577,000
Upper Peninsula state fair revenue		9,000
State general fund/general purpose	$	3,853,400
Sec. 103. DEPARTMENTWIDE		
Rent and building occupancy charges	$	1,469,000
GROSS APPROPRIATION	$	1,469,000
Appropriated from:		
Federal revenues:		
DAG, multiple grants		106,300
EPA, multiple grants		64,800
HHS-FDA		13,900
Special revenue funds:		
Agricultural preservation fund		23,900
Groundwater and freshwater protection fund		10,100
Licensing and inspection fees		63,200
Nonretail liquor fees		8,400
Refined petroleum fund		114,000
State services fee fund		312,600
State general fund/general purpose	$	751,800
Sec. 104. FOOD AND DAIRY		
Full-time equated classified positions 107.0		
Food safety and quality assurance—107.0 FTE positions	$	11,932,100
Local public health operations		8,878,700
GROSS APPROPRIATION	$	20,810,800
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDCH, local public health operations		8,878,700

		For Fiscal Year Ending Sept. 30, 2007
Federal revenues:		
DAG, multiple grants		25,900
HHS-FDA		362,200
Special revenue funds:		
Civil penalties		47,700
Consumer and industry food safety education fund		250,000
Licensing and inspection fees		2,437,900
State general fund/general purpose	$	8,808,400
Sec. 105. ANIMAL INDUSTRY		
Full-time equated classified positions 49.0		
Animal health and welfare—22.5 FTE positions	$	2,428,400
Bovine tuberculosis program—26.5 FTE positions		5,577,400
GROSS APPROPRIATION	$	8,005,800
Appropriated from:		
Federal revenues:		
DAG, multiple grants		1,099,400
HHS-FDA		70,800
Special revenue funds:		
Agriculture equine industry development fund		2,399,100
Licensing and inspection fees		105,000
State general fund/general purpose	$	4,331,500
Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT		
Full-time equated classified positions 231.8		
Pesticide and plant pest management—119.8 FTE positions	$	13,426,000
Emerald ash borer control program—112.0 FTE positions		13,782,000
GROSS APPROPRIATION	$	27,208,000
Appropriated from:		
Federal revenues:		
DAG, multiple grants		16,008,700
EPA, multiple grants		1,451,600
HHS-FDA		66,300
Special revenue funds:		
Private - slow-the-spread foundation		143,800
Commodity inspection fees		920,700
Horticulture fund		77,500
Industry support funds		331,500
Licensing and inspection fees		3,337,600
State general fund/general purpose	$	4,870,300
Sec. 107. ENVIRONMENTAL STEWARDSHIP		
Full-time equated classified positions 47.0		
Environmental stewardship—32.7 FTE positions	$	3,155,300
Groundwater and freshwater protection program—8.3 FTE positions		5,391,000
Farmland and open space preservation—6.0 FTE positions		946,300
Cooperative resources management initiative program		1,000,000
Agriculture pollution prevention program		400,100
Local conservation districts		1,516,800
Migrant labor housing		150,100
Aquifer protection program		50,000
GROSS APPROPRIATION	$	12,609,600
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDEQ, aquifer protection and dispute resolution		50,000
IDG from MDEQ, biosolids		90,200
IDG from MDEQ, MAEAP		155,100
IDG from MDEQ, type II well survey		16,800
IDG from MDNR, district forestry and wildlife program		1,000,000

		For Fiscal Year Ending Sept. 30, 2007
Federal revenues:		
DAG, multiple grants		400,000
United States department of labor		150,000
EPA, multiple grants		436,700
Corporation for national and community services		250,000
Special revenue funds:		
Agricultural preservation fund		875,900
Agriculture pollution prevention fund		100
Groundwater and freshwater protection fund		5,083,300
State general fund/general purpose	$	4,101,500
Sec. 108. LABORATORY PROGRAM		
Full-time equated classified positions 148.0		
Laboratory services—62.5 FTE positions	$	6,239,900
USDA monitoring program—18.0 FTE positions		2,070,700
Consumer protection program—67.5 FTE positions		4,948,600
GROSS APPROPRIATION	$	13,259,200
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDLEG (LCC), liquor quality testing fees		189,100
Federal revenues:		
DAG, multiple grants		2,092,700
EPA, multiple grants		351,200
HHS-FDA		543,000
Special revenue funds:		
Gasoline inspection and testing fund		2,477,700
Refined petroleum fund		2,973,800
State services fee fund		519,700
Testing fees		434,500
Weights and measures regulation fees		650,300
State general fund/general purpose	$	3,027,200
Sec. 109. AGRICULTURE DEVELOPMENT		
Full-time equated classified positions 8.0		
Agriculture development—5.0 FTE positions	$	901,800
Grape and wine program—3.0 FTE positions		670,000
Export market development program		50,000
Michigan agricultural surplus system		630,500
Michigan FFA association		80,000
Michigan 4-H foundation		20,000
GROSS APPROPRIATION	$	2,352,300
Appropriated from:		
Federal revenues:		
DAG, multiple grants		206,500
Special revenue funds:		
Private - commodity group		40,000
Agriculture equine industry development fund		100,000
Industry support funds		159,000
Nonretail liquor fees		614,800
State services fee fund		350,700
State general fund/general purpose	$	881,300
Sec. 110. FAIRS AND EXPOSITIONS		
Full-time equated classified positions 16.5		
Upper Peninsula state fair—7.0 FTE positions	$	1,351,500
Fairs, racing and producer security—9.5 FTE positions		1,104,300
Building and track improvement - county and state fairs		963,200
Premiums - county and state fairs		1,614,000
Purses and supplements - fairs/licensed tracks		3,031,700
Licensed tracks - light horse racing		170,900

		For Fiscal Year Ending Sept. 30, 2007
Standardbred breeders' awards		1,273,000
Standardbred purses and supplements - licensed tracks		2,305,700
Standardbred sire stakes		1,040,000
Thoroughbred sire stakes		1,063,100
Standardbred training and stabling		44,900
Thoroughbred program		3,092,400
Thoroughbred owners' awards		159,900
Distribution of outstanding winning tickets		700,000
GROSS APPROPRIATION	$	17,914,600
Appropriated from:		
Special revenue funds:		
Agriculture equine industry development fund		13,844,800
Industry support funds		10,600
Licensing and inspection fees		127,000
State services fee fund		2,580,700
Upper Peninsula state fair revenue		1,351,500
State general fund/general purpose	$	0
Sec. 111. OFFICE OF RACING COMMISSIONER		
Full-time equated classified positions 31.7		
Office of racing commissioner—31.7 FTE positions	$	3,644,100
GROSS APPROPRIATION	$	3,644,100
Appropriated from:		
Special revenue funds:		
State services fee fund		3,644,100
State general fund/general purpose	$	0
Sec. 112. INFORMATION TECHNOLOGY		
Information technology services and projects	$	1,537,800
GROSS APPROPRIATION	$	1,537,800
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDLEG (LCC), liquor quality testing fees		2,800
Special revenue funds:		
Agricultural preservation fund		200
Agriculture equine industry development fund		221,100
Gasoline inspection and testing fund		27,000
Groundwater and freshwater protection fund		100
Nonretail liquor fees		500
State services fee fund		997,300
Upper Peninsula state fair revenue		900
State general fund/general purpose	$	287,900

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is $79,362,300.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is $3,216,800.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF AGRICULTURE

Groundwater and freshwater protection program	$	1,700,000
Local conservation districts		1,516,800
TOTAL	$	3,216,800

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

Sec. 203. As used in this article:

(a) "DAG" means the United States department of agriculture.

(b) "Department" means the department of agriculture.

(c) "Director" means the director of the department.

(d) “EPA” means the United States environmental protection agency.
(e) “FFA” means future farmers of America.
(f) “FTE” means full-time equated.
(g) “HHS-FDA” means the United States department of health and human services - food and drug administration.
(h) “IDG” means interdepartmental grant.
(i) “MAEAP” means the Michigan agriculture environmental assurance program.
(j) “MDCH” means the Michigan department of community health.
(k) “MDLEG (LCC)” means the Michigan department of labor and economic growth - liquor control commission.
(*l*) “MDEQ” means the Michigan department of environmental quality.
(m) “MDNR” means the Michigan department of natural resources.
(n) “USDA” means the United States department of agriculture.

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

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

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

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this article. This requirement shall include transmission of reports via electronic mail to the recipients identified for each reporting requirement and shall include placement of reports on an Internet or Intranet site.

Sec. 209. (1) Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available.

(2) In addition to the requirements in subsection (1), the purchase of goods or services, or both, if competitively priced and of comparable quality shall be Michigan goods or services, or both, if available. The department shall also encourage the use of Michigan produced agricultural products by all state agencies and departments if competitively priced and of comparable quality and if available.

Sec. 210. The director of each department receiving appropriations in part 1 shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 212. (1) Of the funds appropriated in part 1, the department may provide for indemnity as provided for pursuant to the animal industry act, 1988 PA 466, MCL 287.701 to 287.745, not to exceed $100,000.00 per order from any line item for the fiscal year ending September 30, 2007. Before the department provides for an indemnification under this section, the department shall report the reason for the indemnification, the amount of the indemnification, and to whom the indemnification is to be paid. The report shall be given to each member of the house and senate appropriations subcommittees on agriculture and to the senate and house fiscal agencies and the state budget director.

(2) The department of agriculture shall make an indemnification payment for the fair market value of livestock killed by a wolf, coyote, or cougar, if the kill is verified by the department of natural resources. The fair market value of the livestock shall be determined pursuant to the indemnification procedures prescribed in the animal industry act, 1988 PA 466, MCL 287.701 to 287.745. In addition to the funds appropriated in part 1, the department of agriculture is authorized to expend the funds received from the department of natural resources to reimburse the department of agriculture for all indemnification payments made pursuant to this subsection.

Sec. 214. Of the funds appropriated in part 1 that are other than line-item grants, the department shall not provide grants to local government agencies, institutions of higher education, or nonprofit organizations unless the department provides notice of the grant to the house and senate appropriations subcommittees on agriculture at least 10 days before the grant is issued. The grants shall be used to support research or other related activities for the purpose of enhancing the agricultural industries in this state.

Sec. 219. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology-related services and projects. The user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 220. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 223. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2007 shall be limited to situations in which 1 or more of the following conditions apply:

(a) The travel is required by legal mandate or court order or for law enforcement purposes.

(b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.

(c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.

(d) The travel is necessary to comply with federal requirements.

(e) The travel is necessary to secure specialized training for staff that is not available within this state.

(f) The travel is financed entirely by federal or nonstate funds.

(2) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the house and senate appropriations committees.

(3) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the chairs and members of the house and senate appropriations committees, the fiscal agencies, and the state budget director. The report shall include the following information:

(a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

(d) A brief statement of the reason for each travel occurrence.

(e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

(f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 224. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 225. In recognition of the important role it can play in attracting large scale agricultural events, it is the intent of the legislature that the department of agriculture, in conjunction with interested parties, explore opportunities to expand the facilities and size of the Michigan State University pavilion for agriculture and livestock education.

Sec. 227. On or before April 1, 2007, the department shall provide to the senate and house appropriations subcommittees on agriculture and the senate and house fiscal agencies a summary report on the real and potential return on investment for each of the department's programs.

EXECUTIVE

Sec. 301. Per diem rates for commodity committees established in the agriculture commodities marketing act, 1965 PA 232, MCL 290.651 to 290.674, 1970 PA 29, MCL 290.421 to 290.430, 1965 PA 114, MCL 290.551 to 290.568, and the beef industry commission act, 1972 PA 291, MCL 287.601 to 287.610, will be set based upon levels established in section 301 of 2002 PA 516.

Sec. 302. (1) The department may receive and expend revenue and use that revenue to cover necessary expenses related to publications, audit and licensing functions, livestock sales, certification of nursery stock, bean inspection services, and laboratory analyses as specified in the following:

(a) Management services publications.

(b) Management services audit and licensing functions.

(c) Pesticide and plant pest management propagation and certification of virus free foundation stock.

(d) Pesticide and plant pest management bean inspection and grading services.

(e) Laboratory support testing for testing horses in draft horse pulling contests at county fairs when local jurisdictions request state assistance.

(f) Laboratory support analyses to determine foreign substances in horses engaged in racing or pulling contests at tracks.

(g) Laboratory support analysis of food, livestock, and agricultural products for disease, foreign products for disease, toxic materials, foreign substances, and quality standards.

(h) Laboratory support test samples for other agencies and organizations.

(i) Fruit and vegetable inspection at shipping and termination points and processing plants.

(2) The department shall notify the senate and house of representatives appropriations subcommittees on agriculture and the senate and house fiscal agencies 30 days prior to proposing changes in fees authorized under this section or under section 5 of the market conditions act, 1915 PA 91, MCL 285.35.

(3) Annually, before February 1, the department shall provide a report to the senate and house of representatives appropriations subcommittees on agriculture and the senate and house fiscal agencies detailing all the fees charged by the department under the authorization provided in this section, including, but not limited to, rates, number of individuals paying each fee, and the revenue generated by each fee in the previous fiscal year.

Sec. 304. (1) From the funds appropriated in section 108, not less than $3,800,000.00 shall be used for the motor fuel quality program to ensure motor fuel quality and quantity. Notwithstanding the provisions of section 205, the department shall maintain additional field and laboratory staff for the motor fuel quality program.

(2) On or before January 1, 2007 and every 6 months thereafter, the department shall report to the senate and house appropriations subcommittees on agriculture and the senate and house fiscal agencies the results of both complaint-based and random-based inspections, including the number of inspections performed, samples collected, and compliance rates.

Sec. 305. From the appropriation for statistical reporting service in part 1, it is the intent of the legislature that the department, in consultation with representatives of the equine industry, conduct a survey of the equine industry in Michigan.

FOOD AND DAIRY

Sec. 401. (1) The department shall monitor restaurant inspection and licensing functions carried out by local health departments to ensure uniform application and enforcement of minimum program requirements. On or before April 1, 2007, the department shall report to the senate and house appropriations subcommittees on agriculture, the senate and house fiscal agencies, and the state budget director on local health department conformance with minimum program requirements.

(2) If a local unit of government incurs additional costs resulting from its efforts to control a significant food-borne outbreak, the director shall seek additional resources to reimburse the local unit of government for these additional costs. The director shall involve the local health officer of the jurisdiction affected in all aspects of the control of any food-borne outbreak.

Sec. 402. Not later than April 1, 2007, the department shall provide a report to the house and senate appropriations subcommittees on agriculture and the house and senate fiscal agencies describing significant food-borne outbreaks and emergencies including any enforcement actions taken related to food safety during the 2005-2006 fiscal year.

Sec. 403. The department, in conjunction with the department of community health, shall assure that a process is in place that requires a local unit of government to obtain prior approval from the department before any reallocation or redistribution of program funds appropriated in section 104.

Sec. 404. From the funds appropriated in section 104 for food safety and quality assurance, not less than $150,000.00 from the consumer and industry food safety education fund shall be expended for purposes required under the food act, 2000 PA 92, MCL 289.4117, including the statewide training and education to consumers on food safety and the training and education on food safety to food service establishment employees and department employees and agents who enforce section 4117 of the food act, 2000 PA 92, MCL 289.4117.

ANIMAL INDUSTRY

Sec. 450. From the funds appropriated in section 105 for the bovine tuberculosis program, the department shall reimburse the department of natural resources for those costs associated with monitoring and testing wildlife for bovine tuberculosis that are necessary to support the department goals and are jointly agreed to by the department and the department of natural resources to be in excess of efforts necessary to effectively plan and execute the eradication of bovine tuberculosis from Michigan's wild free-ranging deer herd.

Sec. 451. From the funds appropriated in section 105 for bovine tuberculosis, the department shall pay for all whole herd testing costs and individual animal testing costs in the modified accredited zone to maintain split-state status requirements. These costs include indemnity and compensation for injury causing death or downer to animals.

ENVIRONMENTAL STEWARDSHIP

Sec. 603. The department shall apply for all federal funds for which it is eligible that can be used to support the migrant labor housing program.

Sec. 604. The appropriation in section 107 for local conservation districts shall be allocated in the following manner:

(a) Of the total appropriation, each local conservation district meeting the minimum grant requirements shall receive a grant of $19,200.00 to support basic operations, unless the district resides in a county consisting of multiple districts, in which case a $19,200.00 grant shall be divided equally among the districts in that county. The amount of money allocated under this subdivision shall not be used by local conservation districts to replace any money received from local sources.

(b) Any amount remaining from the appropriation after distributions under subdivision (a) shall be allocated for local conservation district training.

AGRICULTURE DEVELOPMENT

Sec. 702. In any given year when insufficient amounts of Michigan surplus products are offered to the food bank council and accepted for distribution, unused funds may be applied by the food bank council for the direct purchase of foods from Michigan growers, manufacturers, or wholesalers.

Sec. 703. From the appropriation in part 1 for agriculture development, $30,000.00 shall be provided to the northwest Michigan horticultural research station.

Sec. 704. Indirect costs may not be charged against the FFA grant in section 109 by any administering agency. The grant shall not be used by the administering agency to supplant existing resources dedicated to the FFA organization. The grant only shall be used, awarded, or expended for additional leadership activities, awards, or training programs that encourage agriculture as a career.

Sec. 705. The appropriation in section 109 for the export market development program shall be used to coordinate state participation in the federal market access program and to leverage federal and private funds for the purpose of developing new and enhancing existing export markets for Michigan agricultural products.

Sec. 706. Not later than April 1, 2007, the department shall provide a report to the house and senate appropriations subcommittees on agriculture and the house and senate fiscal agencies describing the department's agriculture development and export market development activities. The report shall identify grants awarded during the prior fiscal year, including a description of federal or private funds made available as a result of department activities.

Sec. 707. In awarding grants from the agricultural development fund created under the Julian-Stille value-added act, 2000 PA 322, MCL 285.302, the department shall give due consideration to the diversity of Michigan agriculture and its economic importance.

Sec. 708. The department is authorized to receive and expend funds appropriated from the agricultural development fund created in section 2 of the Julian-Stille value-added act, 2000 PA 322, MCL 285.302.

Sec. 709. (1) Not later than April 1, 2007, the department shall provide a report to the house and senate appropriations subcommittees on agriculture and the house and senate fiscal agencies describing the activities of the grape and wine industry council established under section 303 of the Michigan liquor control act of 1998, 1998 PA 58, MCL 436.1303.

(2) The report shall include all of the following:

(a) Council activities and accomplishments for the previous fiscal year.

(b) Council expenditures for the previous fiscal year by category of administration, industry support, research and education grants, and promotion and consumer education.

(c) Grants awarded during the prior fiscal year and the results of research grant projects completed during the prior fiscal year.

Sec. 710. The department may match external funding for domestic and international marketing programs for the purpose of developing new and enhancing existing export markets for Michigan agricultural products.

FAIRS AND EXPOSITIONS

Sec. 801. The department shall submit a report each month to the state budget director, the senate and house appropriations subcommittees on agriculture, and the senate and house fiscal agencies that states the simulcasting revenues generated in the preceding month by each licensed track and the amount received from license fees.

Sec. 802. From the amount appropriated in section 110 for purses and supplements – fairs/licensed tracks, $280,000.00 is to be used for state purse supplements at state licensed pari-mutuel tracks for races comprised only of Michigan-bred horses segregated into a 4-year-old colt trot division, a 4-year-old filly trot division, a 4-year-old colt pace division, and a 4-year-old filly pace division.

Sec. 803. Included in the appropriation made in section 110 for the thoroughbred program is $30,500.00 for the Michigan united thoroughbred breeders and owners association to conduct a thoroughbred yearling show. The Michigan united thoroughbred breeders and owners association shall submit to the department an itemized list of expenses showing that the expenses of the yearling show were paid.

Sec. 804. From the funds appropriated in section 110 for thoroughbred owners' awards, awards shall be distributed pursuant to section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320.

Sec. 805. The department shall notify the senate and house appropriations subcommittees and the fiscal agencies of any planned reductions in appropriations, allocations, or expenditures from the agriculture equine industry development fund no less than 10 days before such reductions are implemented.

Sec. 806. A county fair, district fair, 4-H fair, or state fair receiving funds in section 110 to be used for prizes or awards, in whole or in part, as a condition precedent to the receiving of the funds for those purposes, shall publish the rules relative to the prizes, awards, and deadlines for entries eligible for the funds in their official premium books or lists relative to the prizes or awards. An aggrieved exhibitor may make a written complaint to the fair within 10 days after the fair ends. If the fair has not satisfactorily settled the grievance within 45 days after it is submitted to the fair, the aggrieved person may file the complaint with the department and the department shall investigate the complaint and make a finding of fact regarding the complaint and take appropriate action regarding the complaint.

Sec. 807. Of the amount appropriated in section 110 for purses and supplements - fairs/licensed tracks, a sufficient amount is appropriated to provide for overnight purse supplements pursuant to the horse racing law of 1995, 1995 PA 279, MCL 431.301 to 431.336.

Sec. 808. Of the amount appropriated in section 110 for premiums - county and state fairs, $91,400.00 shall be expended to reimburse up to 75% premiums paid to large livestock and equine exhibitors in shows or exhibitions held by statewide associations as defined by the department. Livestock expositions shall be limited to participation in this

program and prohibited from participation in any state funded premium programs. The Michigan horse show association fall youth show shall be included.

Sec. 809. From the appropriations for premiums - county and state fairs in section 110, $40,000.00 shall be awarded through a competitive grant program to local, regional, or state fairs or youth education programs to promote youth involvement and adult exhibitions in the animal agriculture industry.

Sec. 811. The funds appropriated in section 110 for distribution of outstanding winning tickets are not available for expenditure until they are deposited in the Michigan agriculture equine industry development fund pursuant to section 2 of 1951 PA 90, MCL 431.252. These funds shall be expended in accordance with section 2 of 1951 PA 90, MCL 431.252. The department shall provide notice to the house and senate appropriations subcommittees on agriculture at least 10 days before the funds are expended. This notice shall include the amount that each program receives from the outstanding winning ticket revenue deposited in the Michigan agriculture equine industry development fund.

OFFICE OF RACING COMMISSIONER

Sec. 901. The racing commissioner may pay rewards of not more than $5,800.00 to a person who provides information that results in the arrest and conviction on a felony or misdemeanor charge for a crime that involves the horse racing industry. A reward paid pursuant to this section shall be paid out of the office of racing commissioner line item.

ARTICLE 7

GENERAL GOVERNMENT

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the departments of attorney general, civil rights, civil service, information technology, management and budget, state, and treasury, the executive office, the legislative branch, and certain other state purposes, for the fiscal year ending September 30, 2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

TOTAL GENERAL GOVERNMENT

APPROPRIATION SUMMARY:		
Full-time equated unclassified positions	49.0	
Full-time equated classified positions	7,089.4	
GROSS APPROPRIATION		$ 2,913,277,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		588,867,600
ADJUSTED GROSS APPROPRIATION		$ 2,324,409,600
Federal revenues:		
Total federal revenues		55,540,200
Special revenue funds:		
Total local revenues		2,766,200
Total private revenues		550,100
Total other state restricted revenues		1,658,248,000
State general fund/general purpose		$ 607,305,100
Sec. 102. DEPARTMENT OF ATTORNEY GENERAL		
(1) APPROPRIATION SUMMARY		
Full-time equated unclassified positions	6.0	
Full-time equated classified positions	559.0	
GROSS APPROPRIATION		$ 68,532,300
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		13,914,300
ADJUSTED GROSS APPROPRIATION		$ 54,618,000
Federal revenues:		
Total federal revenues		10,236,500
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		11,485,500
State general fund/general purpose		$ 32,896,000
(2) ATTORNEY GENERAL OPERATIONS (EFFECTIVE GOVERNMENT, SAFETY)		
Full-time equated unclassified positions	6.0	
Full-time equated classified positions	559.0	
Attorney general		$ 124,900
Unclassified positions—5.0 FTE positions		476,300

		For Fiscal Year Ending Sept. 30, 2007
Attorney general operations—519.0 FTE positions		62,154,000
Child support enforcement—25.0 FTE positions		2,851,500
Prosecuting attorneys coordinating council—15.0 FTE positions		1,860,900
PACC, training project		325,000
GROSS APPROPRIATION	$	67,792,600
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDCH, health services		1,780,300
IDG from MDHS		3,209,200
IDG from MDLEG, financial and insurance services		1,068,300
IDG from MDLEG, public utility assessments		1,965,300
IDG from MDMB, risk management revolving fund		1,321,300
IDG from MDOT, comprehensive transportation fund		153,400
IDG from MDOT, state aeronautics fund		151,400
IDG from MDOT, state trunkline fund		2,708,300
IDG from MDSP, Michigan justice training fund		325,000
IDG from Michigan gaming control board		979,500
IDG from treasury, land reutilization fund		252,300
Federal revenues:		
DAG, state administrative match grant/food stamps		387,700
DED-OPSE, student loan, federal lender allowance		320,200
DOL-ETA, unemployment insurance		1,564,500
DOL-OSHA, occupational safety and health		274,700
EPA, multiple grants		280,800
Federal funds		2,624,200
HHS, medical assistance, medigrant		628,100
HHS-OS, state Medicaid fraud control units		4,156,300
Special revenue funds:		
Antitrust enforcement collections		627,200
Attorney general's operations fund		838,200
Auto repair facilities fees		225,500
Collections revenue		683,200
Environmental response fund		760,400
Franchise fees		282,600
Game and fish protection fund		740,800
Liquor purchase revolving fund		1,025,100
Manufactured housing fees		219,900
Merit award trust fund		406,700
Michigan state housing development authority fees		552,300
Oil and gas privilege fee revenue		198,600
Prisoner reimbursement		445,800
Prosecuting attorneys training fees		357,700
Real estate enforcement fund		226,000
Retirement funds		730,000
Second injury fund		999,800
Self-insurers security fund		168,700
Silicosis and dust disease fund		516,000
State building authority revenue		94,700
State hospital authority		357,500
State lottery fund		239,700
Utility consumers fund		539,500
Waterways fund		96,700
Worker's compensation administrative revolving fund		152,900
State general fund/general purpose	$	32,156,300
(3) INFORMATION TECHNOLOGY (EFFECTIVE GOVERNMENT)		
Information technology services and projects	$	739,700
GROSS APPROPRIATION	$	739,700

		For Fiscal Year Ending Sept. 30, 2007
Appropriated from:		
State general fund/general purpose	$	739,700
Sec. 103. DEPARTMENT OF CIVIL RIGHTS		
(1) APPROPRIATION SUMMARY		
Full-time equated unclassified positions 5.0		
Full-time equated classified positions 136.0		
GROSS APPROPRIATION	$	14,020,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	14,020,200
Federal revenues:		
Total federal revenues		1,566,200
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	12,454,000
(2) CIVIL RIGHTS OPERATIONS (VULNERABLE)		
Full-time equated unclassified positions 5.0		
Full-time equated classified positions 136.0		
Unclassified positions—5.0 FTE positions	$	264,100
Civil rights operations—136.0 FTE positions		12,967,100
Human resources optimization user charges		8,500
GROSS APPROPRIATION	$	13,239,700
Appropriated from:		
Federal revenues:		
EEOC, state and local antidiscrimination agency contracts		1,024,800
HUD, grant		541,400
State general fund/general purpose	$	11,673,500
(3) INFORMATION TECHNOLOGY (VULNERABLE)		
Information technology services and projects	$	780,500
GROSS APPROPRIATION	$	780,500
Appropriated from:		
State general fund/general purpose	$	780,500
Sec. 104. DEPARTMENT OF CIVIL SERVICE		
(1) APPROPRIATION SUMMARY		
Full-time equated classified positions 240.5		
GROSS APPROPRIATION	$	36,547,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		5,788,100
ADJUSTED GROSS APPROPRIATION	$	30,759,000
Federal revenues:		
Total federal revenues		4,779,100
Special revenue funds:		
Total local revenues		1,700,000
Total private revenues		150,000
Total other state restricted revenues		17,157,500
State general fund/general purpose	$	6,972,400
(2) CIVIL SERVICE OPERATIONS (EFFECTIVE GOVERNMENT)		
Full-time equated classified positions 240.5		
Agency services—118.5 FTE positions	$	12,840,100
Executive direction—45.0 FTE positions		8,586,900
Employee benefits—31.0 FTE positions		5,769,500
Audit and compliance—16.0 FTE positions		2,114,600
Training		1,300,000
Human resources optimization—30.0 FTE positions		2,117,200
GROSS APPROPRIATION	$	32,728,300

		For Fiscal Year Ending Sept. 30, 2007
Appropriated from:		
Interdepartmental grant revenues:		
IDG, training charges		1,300,000
IDG, 1% special funds		1,300,000
IDG, human resources optimization user charges		2,117,200
Federal revenues:		
Federal funds 1%		3,637,100
Special revenue funds:		
Local funds 1%		1,700,000
Private funds 1%		150,000
Freedom of information fees		1,100
State restricted funds 1%		7,744,300
State sponsored group insurance		2,650,000
State sponsored group insurance, flexible spending accounts, and COBRA		5,769,500
State general fund/general purpose	$	6,359,100
(3) INFORMATION TECHNOLOGY (EFFECTIVE GOVERNMENT)		
Information technology services and projects	$	3,818,800
GROSS APPROPRIATION	$	3,818,800
Appropriated from:		
Interdepartmental grant revenues:		
IDG, human resources optimization user charges		1,070,900
Federal revenues:		
Federal funds 1%		1,142,000
Special revenue funds:		
State restricted funds 1%		852,300
State sponsored group insurance, flexible spending accounts, and COBRA		140,300
State general fund/general purpose	$	613,300
Sec. 105. EXECUTIVE OFFICE		
(1) APPROPRIATION SUMMARY		
Full-time equated unclassified positions 10.0		
Full-time equated classified positions 74.2		
GROSS APPROPRIATION	$	5,509,900
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	5,509,900
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	5,509,900
(2) EXECUTIVE OFFICE OPERATIONS (EFFECTIVE GOVERNMENT)		
Full-time equated unclassified positions 10.0		
Full-time equated classified positions 74.2		
Governor	$	177,000
Lieutenant governor		123,900
Executive office—74.2 FTE positions		4,359,200
Unclassified positions—8.0 FTE positions		849,800
GROSS APPROPRIATION	$	5,509,900
Appropriated from:		
State general fund/general purpose	$	5,509,900
Sec. 106. DEPARTMENT OF INFORMATION TECHNOLOGY		
(1) APPROPRIATION SUMMARY		
Full-time equated unclassified positions 6.0		
Full-time equated classified positions 1,776.4		
GROSS APPROPRIATION	$	378,222,000

		For Fiscal Year Ending Sept. 30, 2007
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		378,222,000
ADJUSTED GROSS APPROPRIATION		0
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	0
(2) ADMINISTRATION (EFFECTIVE GOVERNMENT)		
Full-time equated unclassified positions 6.0		
Full-time equated classified positions 1,776.4		
Unclassified positions—6.0 FTE positions	$	300,000
Enterprisewide services—75.0 FTE positions		23,574,000
Health and human services—775.6 FTE positions		209,190,600
Education services—38.9 FTE positions		3,173,500
Public protection—302.0 FTE positions		39,860,800
Resources services—171.1 FTE positions		16,769,900
Transportation services—107.0 FTE positions		27,504,900
General services—306.8 FTE positions		57,848,300
GROSS APPROPRIATION	$	378,222,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of agriculture		1,537,800
IDG from department of attorney general		739,700
IDG from department of civil rights		780,500
IDG from department of civil service		3,818,800
IDG from department of community health		31,427,100
IDG from department of corrections		16,618,500
IDG from department of education		2,614,700
IDG from department of environmental quality		6,810,400
IDG from Michigan gaming control board		1,286,000
IDG from department of history, arts, and libraries		953,100
IDG from department of human services		136,083,900
IDG from department of labor and economic growth		43,188,500
IDG from bureau of state lottery		4,497,300
IDG from department of management and budget		28,433,600
IDG from department of military and veterans affairs		1,161,700
IDG from department of natural resources		9,002,900
IDG from department of state		23,629,300
IDG from department of state police		21,035,700
IDG from department of transportation		27,876,500
IDG from department of treasury		16,726,000
State general fund/general purpose	$	0
Sec. 107. LEGISLATURE		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	116,576,400
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	116,576,400
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		400,000
Total other state restricted revenues		1,109,800
State general fund/general purpose	$	115,066,600

		For Fiscal Year Ending Sept. 30, 2007
(2) LEGISLATURE (EFFECTIVE GOVERNMENT)		
Senate	$	30,285,900
Senate automated data processing		2,683,800
Senate fiscal agency		3,223,500
House of representatives		46,893,200
House automated data processing		2,131,500
House fiscal agency		3,119,100
GROSS APPROPRIATION	$	88,337,000
Appropriated from:		
State general fund/general purpose	$	88,337,000
(3) LEGISLATIVE COUNCIL (EFFECTIVE GOVERNMENT)		
Legislative council	$	10,520,100
Legislative service bureau automated data processing		1,447,200
Worker's compensation		140,000
National association dues		103,000
GROSS APPROPRIATION	$	12,210,300
Appropriated from:		
Special revenue funds:		
Private - gifts and bequests revenues		400,000
State general fund/general purpose	$	11,810,300
(4) LEGISLATIVE RETIREMENT SYSTEM (EFFECTIVE GOVERNMENT)		
General nonretirement expenses	$	4,533,900
GROSS APPROPRIATION	$	4,533,900
Appropriated from:		
Special revenue funds:		
Court fees		1,109,800
State general fund/general purpose	$	3,424,100
(5) PROPERTY MANAGEMENT (EFFECTIVE GOVERNMENT)		
Capitol building	$	2,363,700
Cora Anderson building		8,163,600
Farnum building and other properties		967,900
GROSS APPROPRIATION	$	11,495,200
Appropriated from:		
State general fund/general purpose	$	11,495,200
Sec. 108. OFFICE OF THE AUDITOR GENERAL		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	16,347,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		1,801,500
ADJUSTED GROSS APPROPRIATION	$	14,546,000
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		1,539,900
State general fund/general purpose	$	13,006,100
(2) OFFICE OF THE AUDITOR GENERAL (EFFECTIVE GOVERNMENT)		
Unclassified positions	$	313,500
Field operations		16,034,000
GROSS APPROPRIATION	$	16,347,500
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDCS		107,900
IDG from MDLEG, liquor purchase revolving fund		11,300
IDG from MDOT, comprehensive transportation fund		25,200
IDG from MDOT, Michigan transportation fund		204,300

		For Fiscal Year Ending Sept. 30, 2007
IDG from MDOT, state aeronautics fund		19,600
IDG from MDOT, state trunkline fund		474,600
IDG, single audit act		958,600
Special revenue funds:		
Cadillac local development finance authority		12,000
Clean Michigan initiative implementation bond fund		37,500
Commercial mobile radio system emergency telephone fund		37,500
Construction lien fund		7,200
Contract audit administration fees		52,700
Correctional industries revolving fund		31,300
Fee adequacy, air quality delegated authority		9,400
Game and fish protection fund		21,400
Legislative retirement system		18,700
Marine safety fund		1,900
Michigan economic development corporation		41,200
Michigan education trust fund		30,000
Michigan justice training commission fund		28,100
Michigan state fair revolving fund		33,000
Michigan state housing development authority fees		22,100
Michigan strategic fund		87,500
Michigan tobacco settlement authority		75,000
Michigan veterans' trust fund		24,400
Motor transport revolving fund		4,700
Office services revolving fund		6,800
State disbursement unit, office of child support		25,000
State services fee fund		926,900
Waterways fund		5,600
State general fund/general purpose	$	13,006,100
Sec. 109. DEPARTMENT OF MANAGEMENT AND BUDGET		
(1) APPROPRIATION SUMMARY		
Full-time equated unclassified positions 7.0		
Full-time equated classified positions 752.0		
GROSS APPROPRIATION	$	476,142,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		155,293,500
ADJUSTED GROSS APPROPRIATION	$	320,848,500
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		52,438,900
State general fund/general purpose	$	268,409,600
(2) MANAGEMENT AND BUDGET SERVICES (EFFECTIVE GOVERNMENT)		
Full-time equated unclassified positions 6.0		
Full-time equated classified positions 588.5		
Unclassified positions—6.0 FTE positions	$	570,800
Executive operations—21.0 FTE positions		2,444,900
Administrative services—61.5 FTE positions		6,337,300
Budget and financial management—113.5 FTE positions		10,319,300
Office of the state employer—23.0 FTE positions		2,719,900
Design and construction services—40.0 FTE positions		5,162,600
Business support services—88.5 FTE positions		7,898,300
Building operation services—241.0 FTE positions		87,546,000
Building occupancy charges, rent, and utilities		4,179,600
Human resources optimization user charges		64,200
Motor vehicle fleet		56,724,200
GROSS APPROPRIATION	$	183,967,100

		For Fiscal Year Ending Sept. 30, 2007
Appropriated from:		
Interdepartmental grant revenues:		
IDG from building occupancy and parking charges		90,280,400
IDG from department of labor and economic growth		100,000
IDG from MDCH		425,800
IDG from MDHS		102,400
IDG from MDOT, comprehensive transportation fund		60,300
IDG from MDOT, state aeronautics fund		37,500
IDG from MDOT, state trunkline fund		1,319,000
IDG from motor transport fund		56,724,200
IDG from user fees		5,175,700
Special revenue funds:		
Game and fish protection fund		249,300
Health management funds		1,684,400
Marine safety fund		22,400
Special revenue, internal service, and pension trust funds		9,002,100
State building authority revenue		587,200
State lottery fund		108,600
State services fee fund		75,300
Waterways fund		56,700
State general fund/general purpose	$	17,955,800
(3) STATEWIDE APPROPRIATIONS (EFFECTIVE GOVERNMENT)		
Professional development fund - AFSCME	$	50,000
Professional development fund - MPES		125,000
GROSS APPROPRIATION	$	175,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG from employer contributions		175,000
State general fund/general purpose	$	0
(4) SPECIAL PROGRAMS (EFFECTIVE GOVERNMENT, VULNERABLE)		
Full-time equated classified positions 154.5		
Building occupancy charges - property management services for executive/legislative building occupancy	$	1,878,200
Retirement services—140.5 FTE positions		16,044,800
Office of children's ombudsman—14.0 FTE positions		1,384,800
GROSS APPROPRIATION	$	19,307,800
Appropriated from:		
Special revenue funds:		
Deferred compensation		1,542,400
Pension trust funds		14,502,400
State general fund/general purpose	$	3,263,000
(5) STATE FAIR (THRIVING ECONOMY)		
Full-time equated unclassified positions 1.0		
Full-time equated classified positions 9.0		
Unclassified positions—1.0 FTE position	$	101,000
Michigan state fair operations—9.0 FTE positions		6,360,400
Michigan state fair information technology		88,800
GROSS APPROPRIATION	$	6,550,200
Appropriated from:		
Special revenue funds:		
State exposition and fairgrounds fund		6,550,200
State general fund/general purpose	$	0
(6) INFORMATION TECHNOLOGY (EFFECTIVE GOVERNMENT)		
Information technology services and projects	$	28,344,800
GROSS APPROPRIATION	$	28,344,800
Appropriated from:		
Interdepartmental grant revenues:		
IDG from building occupancy and parking charges		655,700

		For Fiscal Year Ending Sept. 30, 2007
IDG from MDOT, comprehensive transportation fund		2,100
IDG from MDOT, state aeronautics fund		1,100
IDG from MDOT, state trunkline fund		47,500
IDG from user fees		186,800
Special revenue funds:		
Deferred compensation		2,600
Game and fish protection fund		9,800
Health management funds		41,700
Marine safety fund		900
MAIN user charges		3,773,700
Pension trust funds		6,563,300
Special revenue, internal service, and pension trust funds		2,554,600
State building authority revenue		9,700
State lottery fund		4,600
Waterways fund		2,000
State general fund/general purpose	$	14,488,700
(7) STATE BUILDING AUTHORITY RENT (EFFECTIVE GOVERNMENT)		
State building authority rent - state agencies	$	55,293,000
State building authority rent - department of corrections		61,645,500
State building authority rent - universities		106,518,500
State building authority rent - community colleges		14,340,100
GROSS APPROPRIATION	$	237,797,100
Appropriated from:		
Special revenue funds:		
Commercial mobile radio suppliers fund		3,300,000
Roosevelt parking facility reimbursement		275,000
State lottery fund		1,520,000
State general fund/general purpose	$	232,702,100
Sec. 110. DEPARTMENT OF STATE		
(1) APPROPRIATION SUMMARY		
Full-time equated unclassified positions 6.0		
Full-time equated classified positions 1,853.8		
GROSS APPROPRIATION	$	204,793,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		20,000,000
ADJUSTED GROSS APPROPRIATION	$	184,793,500
Federal revenues:		
Total federal revenues		3,052,100
Special revenue funds:		
Total local revenues		0
Total private revenues		100
Total other state restricted revenues		162,608,600
State general fund/general purpose	$	19,132,700
(2) EXECUTIVE DIRECTION (EFFECTIVE GOVERNMENT)		
Full-time equated unclassified positions 6.0		
Full-time equated classified positions 30.2		
Secretary of state	$	124,900
Unclassified positions—5.0 FTE positions		459,200
Operations—30.2 FTE positions		2,712,000
GROSS APPROPRIATION	$	3,296,100
Appropriated from:		
Special revenue funds:		
Auto repair facilities fees		60,500
Driver fees		116,900
Expedient service fees		51,800
Parking ticket court fines		8,300
Personal identification card fees		12,200

		For Fiscal Year Ending Sept. 30, 2007
Reinstatement fees - operator licenses		131,400
Transportation administration collection fund		2,179,700
Vehicle theft prevention fees		35,600
State general fund/general purpose	$	699,700
(3) DEPARTMENT SERVICES (MOBILITY, EFFECTIVE GOVERNMENT)		
Full-time equated classified positions 172.3		
Operations—163.8 FTE positions	$	23,775,400
Assigned claims assessments—6.5 FTE positions		743,200
Motorcycle safety education administration—2.0 FTE positions		382,100
Motorcycle safety education grants		1,400,000
GROSS APPROPRIATION	$	26,300,700
Appropriated from:		
Federal revenues:		
Federal funds		55,700
Special revenue funds:		
Abandoned vehicle fees		666,200
Assigned claims assessments		743,200
Auto repair facilities fees		415,000
Child support clearance fees		34,300
Driver fees		394,300
Expedient service fees		248,100
Marine safety fund		74,500
Motorcycle safety fund		1,782,100
Off-road vehicle title fees		7,700
Parking ticket court fines		52,700
Personal identification card fees		83,000
Reinstatement fees - operator licenses		536,600
Scrap tire fund		68,500
Snowmobile registration fee revenue		17,700
Transportation administration collection fund		20,356,400
Vehicle theft prevention fees		243,400
State general fund/general purpose	$	521,300
(4) REGULATORY SERVICES (MOBILITY, EFFECTIVE GOVERNMENT)		
Full-time equated classified positions 245.1		
Operations—245.1 FTE positions	$	22,617,800
County clerk education and training		100,000
GROSS APPROPRIATION	$	22,717,800
Appropriated from:		
Federal revenues:		
Federal funds		102,500
Special revenue funds:		
Auto repair facilities fees		4,644,800
Commercial driver training school fees		70,500
Driver fees		1,693,200
Expedient service fees		33,300
Notary education and training fund		100,000
Notary fee fund		311,900
Parking ticket court fines		20,700
Personal identification card fees		47,700
Reinstatement fees - operator licenses		1,704,700
Transportation administration collection fund		11,779,400
Vehicle theft prevention fees		1,580,900
State general fund/general purpose	$	628,200
(5) CUSTOMER DELIVERY SERVICES (EFFECTIVE GOVERNMENT, MOBILITY)		
Full-time equated classified positions 1,377.7		
Branch operations—957.4 FTE positions	$	73,410,800
Central operations—404.1 FTE positions		36,201,900

		For Fiscal Year Ending Sept. 30, 2007
Commemorative license plates—16.2 FTE positions		2,147,300
Specialty license plates		1,922,000
Olympic center plate		75,700
Organ donor program		104,100
GROSS APPROPRIATION	$	113,861,800
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDOT, Michigan transportation fund		20,000,000
Federal revenues:		
Federal funds		2,893,900
Special revenue funds:		
Private funds		100
Auto repair facilities fees		93,100
Child support clearance fees		395,500
Driver fees		13,733,000
Expedient service fees		2,853,800
Marine safety fund		1,144,000
Michigan state police auto theft fund		115,600
Mobile home commission fees		476,000
Off-road vehicle title fees		122,700
Parking ticket court fines		1,590,500
Personal identification card fees		1,527,100
Reinstatement fees - operator licenses		1,152,500
Snowmobile registration fee revenue		335,200
Transportation administration collection fund		60,581,200
Vehicle theft prevention fees		209,500
State general fund/general purpose	$	6,638,100
(6) ELECTION REGULATION (EFFECTIVE GOVERNMENT)		
Full-time equated classified positions 28.5		
Election administration and services—25.5 FTE positions	$	2,821,600
Fees to local units		69,800
Qualified voter file—3.0 FTE positions		1,833,900
GROSS APPROPRIATION	$	4,725,300
Appropriated from:		
State general fund/general purpose	$	4,725,300
(7) DEPARTMENTWIDE APPROPRIATIONS (EFFECTIVE GOVERNMENT)		
Building occupancy charges/rent	$	9,795,500
Worker's compensation		467,000
GROSS APPROPRIATION	$	10,262,500
Appropriated from:		
Special revenue funds:		
Auto repair facilities fees		142,000
Driver fees		436,800
Expedient service fees		14,400
Parking ticket court fines		470,800
Transportation administration collection fund		6,364,500
State general fund/general purpose	$	2,834,000
(8) INFORMATION TECHNOLOGY (EFFECTIVE GOVERNMENT)		
Information technology services and projects	$	23,629,300
GROSS APPROPRIATION	$	23,629,300
Appropriated from:		
Special revenue funds:		
Administrative order processing fee		11,000
Auto repair facilities fees		180,800
Child support clearance fees		16,300
Driver fees		1,332,200
Expedient service fees		453,900

		For Fiscal Year Ending Sept. 30, 2007
Parking ticket court fines		83,300
Personal identification card fees		876,100
Reinstatement fees - operator licenses		469,200
Transportation administration collection fund		16,948,200
Vehicle theft prevention fees		172,200
State general fund/general purpose	$	3,086,100
Sec. 111. DEPARTMENT OF TREASURY		
(1) APPROPRIATION SUMMARY		
Full-time equated unclassified positions 9.0		
Full-time equated classified positions 1,697.5		
GROSS APPROPRIATION	$	1,596,586,300
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		13,848,200
ADJUSTED GROSS APPROPRIATION	$	1,582,738,100
Federal revenues:		
Total federal revenues		35,906,300
Special revenue funds:		
Total local revenues		1,066,200
Total private revenues		0
Total other state restricted revenues		1,411,907,800
State general fund/general purpose	$	133,857,800
(2) EXECUTIVE DIRECTION (EFFECTIVE GOVERNMENT)		
Full-time equated unclassified positions 9.0		
Full-time equated classified positions 5.0		
Unclassified positions—9.0 FTE positions	$	812,600
Office of the director—5.0 FTE positions		820,900
GROSS APPROPRIATION	$	1,633,500
Appropriated from:		
Special revenue funds:		
State lottery fund		158,400
State services fee fund		198,300
State general fund/general purpose	$	1,276,800
(3) DEPARTMENTWIDE APPROPRIATIONS (EFFECTIVE GOVERNMENT)		
Travel	$	1,415,900
Rent and building occupancy charges - property management services		5,715,300
Worker's compensation insurance premium		216,000
GROSS APPROPRIATION	$	7,347,200
Appropriated from:		
Special revenue funds:		
Delinquent tax collection revenue		3,580,600
State general fund/general purpose	$	3,766,600
(4) LOCAL GOVERNMENT PROGRAMS (EFFECTIVE GOVERNMENT)		
Full-time equated classified positions 106.0		
Supervision of the general property tax law—83.0 FTE positions	$	13,411,200
Property tax assessor training—4.0 FTE positions		412,300
Local finance—19.0 FTE positions		2,338,300
GROSS APPROPRIATION	$	16,161,800
Appropriated from:		
Special revenue funds:		
Local - assessor training fees		412,300
Local - audit charges		563,900
Local - equalization study charge-backs		40,000
Local - revenue from local government		50,000
Land reutilization fund		6,917,200
Municipal finance fees		458,200
State education tax collections		50,000
State general fund/general purpose	$	7,670,200

	For Fiscal Year Ending Sept. 30, 2007
(5) TAX PROGRAMS (EFFECTIVE GOVERNMENT, RESOURCE CONSERVATION, VULNERABLES)	
Full-time equated classified positions.....766.0	
Customer contact—186.0 FTE positions	$ 13,966,500
Tax compliance—338.0 FTE positions	30,675,700
Tax policy—38.0 FTE positions	4,496,200
Tax processing—150.0 FTE positions	15,141,300
Revenue enhancement program—50.0 FTE positions	5,856,800
Home heating assistance	2,101,300
Bottle bill implementation	250,000
New hire reporting	1,545,000
Tobacco tax collection—4.0 FTE positions	332,000
GROSS APPROPRIATION	$ 74,364,800
Appropriated from:	
Interdepartmental grant revenues:	
IDG, data/collection services fees	50,900
IDG from MDHS	1,545,000
IDG from MDOT, Michigan transportation fund	8,354,900
IDG from MDOT, state aeronautics fund	64,700
Federal revenues:	
HHS-SSA, low-income energy assistance	2,101,300
Special revenue funds:	
Bottle deposit fund	250,000
Delinquent tax collection revenue	55,357,700
Tobacco tax collection and enforcement	332,000
Tobacco tax revenue	375,600
Waterways fund	75,900
State general fund/general purpose	$ 5,856,800
(6) BANKING AND MANAGEMENT SERVICES (EFFECTIVE GOVERNMENT)	
Full-time equated classified positions.....328.5	
Human resources optimization user charges	$ 82,900
Human resources, program management, and purchasing—30.0 FTE positions	3,039,000
Mail operations—20.0 FTE positions	2,077,900
Economic and revenue forecasting—15.5 FTE positions	1,401,400
Unclaimed property—21.0 FTE positions	3,438,100
Collections—170.0 FTE positions	16,833,500
Finance and accounting—32.0 FTE positions	1,635,300
Receipts processing—40.0 FTE positions	2,841,500
GROSS APPROPRIATION	$ 31,349,600
Appropriated from:	
Interdepartmental grant revenues:	
IDG data/collection service fees	204,400
IDG from MDHS, title IV-D	599,500
IDG, levy/warrant cost assessment fees	1,848,800
IDG, state agency collection fees	565,700
Special revenue funds:	
Delinquent tax collection revenue	15,736,800
Escheats revenue	3,438,100
Garnishment fees	510,800
Justice system fund	605,500
Treasury fees	181,100
State general fund/general purpose	$ 7,658,900
(7) FINANCIAL PROGRAMS (PREPARED FOR JOBS, EFFECTIVE GOVERNMENT)	
Full-time equated classified positions.....213.0	
Investments—78.0 FTE positions	$ 14,426,700
Michigan education savings program	1,000,000

		For Fiscal Year Ending Sept. 30, 2007
Michigan merit award administration—5.0 FTE positions		1,544,200
Common cash and debt management—11.5 FTE positions		1,201,500
Student financial assistance programs—118.5 FTE positions		35,298,200
GROSS APPROPRIATION	$	53,470,600
Appropriated from:		
Interdepartmental grant revenues:		
IDG, fiscal agent service fees		167,700
Federal revenues:		
DED-OPSE, federal lenders allowance		10,289,000
DED-OPSE, higher education act of 1965, insured loans		22,983,100
Special revenue funds:		
College work-study		46,300
Michigan merit award trust fund		2,954,100
Retirement funds		13,341,600
School bond fees		590,900
Treasury fees		1,241,400
State general fund/general purpose	$	1,856,500
(8) DEBT SERVICE (RESOURCE CONSERVATION)		
Water pollution control bond and interest redemption	$	2,458,200
Quality of life bond		59,300,000
Clean Michigan initiative		36,900,000
Great Lakes water quality bond		1,500,000
GROSS APPROPRIATION	$	100,158,200
Appropriated from:		
Special revenue funds:		
Refined petroleum fund		23,914,500
State general fund/general purpose	$	76,243,700
(9) GRANTS (THRIVING ECONOMY, EFFECTIVE GOVERNMENT, HEALTH, SAFETY)		
Grants to counties in lieu of taxes	$	5,000
Convention facility development distribution		58,850,000
Senior citizen cooperative housing tax exemption program		18,800,000
Commercial mobile radio service payments		17,900,000
Health and safety fund grants		25,000,000
Qualified agricultural loan payments		2,500,000
Renaissance zone reimbursement		2,630,000
GROSS APPROPRIATION	$	125,685,000
Appropriated from:		
Special revenue funds:		
Commercial mobile radio service fees		17,900,000
Convention facility development fund		58,850,000
Health and safety fund		25,000,000
State general fund/general purpose	$	23,935,000
(10) BUREAU OF STATE LOTTERY (THRIVING ECONOMY)		
Full-time equated classified positions 173.0		
Lottery operations—173.0 FTE positions	$	19,326,100
Human resources optimization user charges		10,600
Promotion and advertising		18,622,000
Lottery information technology services and projects		4,497,300
GROSS APPROPRIATION	$	42,456,000
Appropriated from:		
Special revenue funds:		
State lottery fund		42,456,000
State general fund/general purpose	$	0
(11) CASINO GAMING (THRIVING ECONOMY)		
Full-time equated classified positions 106.0		
Michigan gaming control board	$	50,000

		For Fiscal Year Ending Sept. 30, 2007
Casino gaming control administration—106.0 FTE positions		18,376,200
Human resources optimization user charges		7,000
Casino gaming information technology services and projects		1,286,000
GROSS APPROPRIATION	$	19,719,200
Appropriated from:		
Special revenue funds:		
Casino gambling agreements		383,500
State services fee fund		19,335,700
State general fund/general purpose	$	0
(12) REVENUE SHARING (EFFECTIVE GOVERNMENT)		
Constitutional state general revenue sharing grants	$	698,925,000
Statutory state general revenue sharing grants		407,485,000
Special census revenue sharing payments		892,400
Special grants		212,000
GROSS APPROPRIATION	$	1,107,514,400
Appropriated from:		
Special revenue funds:		
Sales tax		1,106,410,000
State general fund/general purpose	$	1,104,400
(13) INFORMATION TECHNOLOGY (EFFECTIVE GOVERNMENT)		
Treasury operations information technology services and projects	$	16,726,000
GROSS APPROPRIATION	$	16,726,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDOT, Michigan transportation fund		446,600
Federal revenues:		
DED-OPSE, federal lender allowance		532,900
Special revenue funds:		
Delinquent tax collection revenue		10,183,000
Land reutilization fund		20,000
Michigan merit award trust fund		407,500
Retirement funds		647,100
State general fund/general purpose	$	4,488,900

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is $2,265,553,100.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is $1,248,390,700.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF STATE		
Fees to local units	$	69,800
Motorcycle safety education grants		1,400,000
Subtotal	$	1,469,800
DEPARTMENT OF TREASURY		
Senior citizen cooperative housing tax exemption	$	18,800,000
Grants to counties in lieu of taxes		5,000
Health and safety fund grants		25,000,000
Constitutional state general revenue sharing grants		698,925,000
Statutory state general revenue sharing grants		407,485,000
Convention facility development fund distribution		58,850,000
Commercial mobile radio service payments		15,221,500
Renaissance zone reimbursements		2,630,000
Special grants		212,000
Special census revenue sharing payments		892,400
Airport parking distribution pursuant to section 909		18,900,000
Subtotal	$	1,246,920,900
TOTAL GENERAL GOVERNMENT	$	1,248,390,700

(2) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 2006-2007 is estimated at $28,062,027,500.00 in the 2006-2007 appropriations acts and total state spending from state sources paid to local units of government for fiscal year 2006-2007 is estimated at $16,029,076,400.00. The state-local proportion is estimated at 57.12% of total state spending from state resources.

(3) If payments to local units of government and state spending from state sources for fiscal year 2006-2007 are different than the amounts estimated in subsection (2), the state budget director shall report the payments to local units of government and state spending from state sources that were made for fiscal year 2006-2007 to the senate and house of representatives standing committees on appropriations within 30 days after the final book-closing for fiscal year 2006-2007.

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

Sec. 203. As used in this article:

(a) "AFSCME" means American federation of state, county, and municipal employees.

(b) "COBRA" means the consolidated omnibus budget reconciliation act of 1985, Public Law 99-272, 100 Stat. 82.

(c) "CPI" means consumer price index.

(d) "DAG" means the United States department of agriculture.

(e) "DED-OPSE" means the United States department of education, office of postsecondary education.

(f) "DOL-ETA" means the United States department of labor, employment and training administration.

(g) "DOL-OSHA" means the United States department of labor, occupational safety and health administration.

(h) "EEOC" means the United States equal employment opportunity commission.

(i) "EPA" means the United States environmental protection agency.

(j) "FTE" means full-time equated.

(k) "GF/GP" means general fund/general purpose.

(*l*) "HHS" means the United States department of health and human services.

(m) "HHS-OS" means the HHS office of the secretary.

(n) "HHS-SSA" means the HHS social security administration.

(o) "HUD" means the United States department of housing and urban development.

(p) "IDG" means interdepartmental grant.

(q) "JCOS" means the joint capital outlay subcommittee.

(r) "MAIN" means the Michigan administrative information network.

(s) "MCL" means the Michigan Compiled Laws.

(t) "MDCH" means the Michigan department of community health.

(u) "MDCS" means the Michigan department of civil service.

(v) "MDHS" means the Michigan department of human services.

(w) "MDLEG" means the Michigan department of labor and economic growth.

(x) "MDMB" means the Michigan department of management and budget.

(y) "MDOT" means the Michigan department of transportation.

(z) "MDSP" means the Michigan department of state police.

(aa) "MPES" means the Michigan professional employees society.

(bb) "PA" means public act.

(cc) "PACC" means the prosecuting attorneys coordinating council.

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

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

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

Sec. 208. Unless otherwise specified, departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this article. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality.

Sec. 210. The director of each department receiving appropriations in part 1 shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 211. Pursuant to section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, that provides for a transfer of state general funds into the countercyclical budget and economic stabilization fund, there is appropriated into the countercyclical budget and economic stabilization fund the sum of $0.00. The calculation required by section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, is determined as follows:

	2005	2006
Michigan personal income (millions)	$335,164	$348,571
less: transfer payments	51,756	56,070
Subtotal	283,409	292,501
Divided by: Detroit CPI for 12 months ending June 30	1.878	1.944
Equals: Real adjusted Michigan personal income	$150,910	$150,438
Percentage change		– 0.3%
Percentage change in excess of 2%		0.0%
Multiplied by: estimated GF/GP revenue in FY 2005-2006 (millions)		8,281.7
Equals: countercyclical budget and economic stabilization fund calculation for the fiscal year ending September 30, 2007		$0.0

Sec. 212. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed.

Sec. 213. Funds appropriated in part 1 shall not be used by this state, a department, an agency, or an authority of this state to purchase an ownership interest in a casino enterprise or a gambling operation as those terms are defined in the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.201 to 432.226.

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

Sec. 215. A department or state agency shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 216. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2007 shall be limited to situations in which 1 or more of the following conditions apply:

(a) The travel is required by legal mandate or court order or for law enforcement purposes.

(b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.

(c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.

(d) The travel is necessary to comply with federal requirements.

(e) The travel is necessary to secure specialized training for staff that is not available within this state.

(f) The travel is financed entirely by federal or nonstate funds.

(2) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the senate and house of representatives standing committees on appropriations.

(3) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director. The report shall include the following information:

(a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

(d) A brief statement of the reason for each travel occurrence.

(e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

(f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 217. General fund appropriations in this article shall not be expended for items in cases where federal funding is available for the same expenditures.

Sec. 220. Funds appropriated in this article shall not be used to establish, operate, or administer a payroll deduction plan that enables classified state employees to make contributions to either a committee, as defined in section 3 of the Michigan campaign finance act, 1976 PA 388, MCL 169.203, or a political organization, as defined in section 527 of the internal revenue code.

DEPARTMENT OF ATTORNEY GENERAL

Sec. 302. (1) The attorney general shall perform all legal services, including representation before courts and administrative agencies rendering legal opinions and providing legal advice to a principal executive department or state agency. A principal executive department or state agency shall not employ or enter into a contract with any other person for services described in this section.

(2) The attorney general shall defend judges of all state courts if a claim is made or a civil action is commenced for injuries to persons or property caused by the judge through the performance of the judge's duties while acting within the scope of his or her authority as a judge.

(3) The attorney general shall perform the duties specified in 1846 RS 12, MCL 14.28 to 14.35, and 1919 PA 232, MCL 14.101 to 14.102, and as otherwise provided by law.

Sec. 303. The attorney general may sell copies of the biennial report in excess of the 350 copies that the attorney general may distribute on a gratis basis. Gratis copies shall not be provided to members of the legislature. Electronic copies of biennial reports shall be made available on the department of attorney general's website. The attorney general shall sell copies of the report at not less than the actual cost of the report and shall deposit the money received into the general fund.

Sec. 304. The department of attorney general is responsible for the legal representation for state of Michigan state employee worker's disability compensation cases. The risk management revolving fund revenue appropriation in part 1 is to be satisfied by billings from the department of attorney general for the actual costs of legal representation, including salaries and support costs.

Sec. 305. In addition to the funds appropriated in part 1, not more than $400,000.00 shall be reimbursed per fiscal year for food stamp fraud cases heard by the third circuit court of Wayne County that were initiated by the department of attorney general pursuant to the existing contract between the department of human services, the prosecuting attorneys association of Michigan, and the department of attorney general. The source of this funding is money earned by the department of attorney general under the agreement after the allowance for reimbursement to the department of attorney general for costs associated with the prosecution of food stamp fraud cases. It is recognized that the federal funds are earned by the department of attorney general for its documented progress on the prosecution of food stamp fraud cases according to the United States department of agriculture regulations and that once earned by this state, the funds become state funds.

Sec. 306. Any proceeds from a lawsuit initiated by or settlement agreement entered into on behalf of this state against a manufacturer of tobacco products by the attorney general are state funds and are subject to appropriation as provided by law.

Sec. 307. In addition to the antitrust revenues in part 1, antitrust, securities fraud, consumer protection or class action enforcement revenues, or attorney fees recovered by the department, not to exceed $1,000,000.00, are appropriated to the department for antitrust, securities fraud, and consumer protection or class action enforcement cases. Any unexpended funds from antitrust, securities fraud, or consumer protection or class action enforcement revenues at the end of the fiscal year, including antitrust funds in part 1, shall be carried forward for expenditure in the following fiscal year up to the maximum authorization of $1,000,000.00.

Sec. 308. (1) In addition to the funds appropriated in part 1, there is appropriated up to $500,000.00 from litigation expense reimbursements awarded to the state.

(2) The funds may be expended for the payment of litigation expenses, court judgments and settlements, or attorney fees assessed against the office of the governor, the department of the attorney general, the governor, or the attorney general when acting in an official capacity as the named party in litigation against the state. The funds may also be expended for the payment of state costs incurred under section 16 of chapter X of the code of criminal procedure, 1927 PA 175, MCL 770.16.

(3) Unexpended funds at the end of the fiscal year shall be carried forward for expenditure in the following year, up to a maximum authorization of $500,000.00.

Sec. 309. From the prisoner reimbursement funds appropriated in part 1, the department may spend up to $445,800.00 on activities related to the state correctional facilities reimbursement act, 1935 PA 253, MCL 800.401 to

800.406. In addition to the funds appropriated in part 1, if the department collects in excess of $1,131,000.00 in gross annual prisoner reimbursement receipts provided to the general fund, the excess, up to a maximum of $1,000,000.00, is appropriated to the department of attorney general and may be spent on the representation of the department of corrections and its officers, employees, and agents, including, but not limited to, the defense of litigation against the state, its departments, officers, employees, or agents in civil actions filed by prisoners. Any unexpended funds at the end of the fiscal year shall be carried forward for expenditure in the following fiscal year up to the maximum authorization of $500,000.00.

Sec. 310. (1) For the purposes of providing title IV-D child support enforcement funding, the department of human services, as the state IV-D agency, shall maintain a cooperative agreement with the attorney general for federal IV-D funding to support the child support enforcement activities within the office of the attorney general.

(2) The attorney general or his or her designee shall, to the extent allowable under federal law, have access to any information used by the state to locate parents who fail to pay court ordered child support.

DEPARTMENT OF CIVIL RIGHTS

Sec. 402. (1) In addition to the appropriations contained in part 1, the department of civil rights may receive and expend funds from local or private sources for all of the following purposes:

(a) Developing and presenting training for employers on equal employment opportunity law and procedures.

(b) The publication and sale of civil rights related informational material.

(c) The provision of copy material made available under freedom of information requests.

(d) Other copy fees, subpoena fees, and witness fees.

(e) Developing, presenting, and participating in mediation processes for certain civil rights cases.

(f) Workshops, seminars, and recognition or award programs consistent with the programmatic mission of the individual unit sponsoring or coordinating the programs.

(2) The department of civil rights shall annually report to the state budget director, the senate and house of representatives standing committees on appropriations, and the senate and house fiscal agencies the amount of funds received and expended for purposes authorized under this section.

Sec. 403. The department of civil rights may contract with local units of government to review equal employment opportunity compliance of potential contractors and may charge for and expend amounts received from local units of government for the purpose of developing and providing these contractual services.

DEPARTMENT OF CIVIL SERVICE

Sec. 502. (1) All restricted funds shall be assessed a sum not less than 1% of the total aggregate payroll paid from those funds for financing the department of civil service on the basis of actual 1% restricted sources total aggregate payroll of the classified service for fiscal year 2006 in accordance with section 5 of article XI of the state constitution of 1963. This includes, but is not limited to, restricted funds appropriated in part 1 of any appropriations act. Unexpended 1% appropriated funds shall be returned to each 1% fund source at the end of the fiscal year.

(2) The 1% appropriations in part 1 are estimates of actual 1% charges based on payroll appropriations. With the approval of the state budget director, the department is authorized to adjust financing sources for civil service 1% charges based on actual payroll expenditures, provided that such adjustments do not increase the total appropriation for the department of civil service.

(3) The 1% financing from restricted sources shall be credited to the department of civil service by the end of the second fiscal quarter.

Sec. 503. Except where specifically appropriated for this purpose, 1% of the financing from restricted sources shall be credited to the department of civil service. For restricted sources of funding within the general fund that have the legislative authority for carryover, if current spending authorization or revenues are insufficient to accept the charge, the shortage shall be taken from carryforward balances of that funding source. Restricted revenue sources that do not have carryforward authority shall be utilized to satisfy departmental operating deducts first and civil service obligations second. General fund dollars are appropriated for any shortfall, pursuant to approval by the state budget director.

Sec. 504. The appropriation in part 1 to the department of civil service, for state-sponsored group insurance, flexible spending accounts, and COBRA, represents amounts, in part, included within the various appropriations throughout state government for the current fiscal year to fund the flexible spending account program included within the department of civil service. Deposits against state-sponsored group insurance, flexible spending accounts, and COBRA for the flexible spending account program shall be made from assessments levied during the current fiscal year in a manner prescribed by the department of civil service. Unspent employee contributions to the flexible spending accounts may be used to offset administrative costs for the flexible spending account program, with any remaining balance of unspent employee contributions to be lapsed to the general fund.

INFORMATION TECHNOLOGY

Sec. 573. (1) The department of information technology may sell and accept paid advertising for placement on any state website under its jurisdiction. The department shall review and approve the content of each advertisement. The department may refuse to accept advertising from any person or organization or require modification to advertisements

based upon criteria determined by the department. Revenue received under this subsection shall be used for operating costs of the department and for future technology enhancements to state of Michigan e-government initiatives. Funds received under this subsection shall be limited to $250,000.00. Any funds in excess of $250,000.00 shall be deposited in the state general fund.

(2) Funds accepted by the department of information technology under subsection (1) are appropriated and allotted when received and may be expended upon approval of the state budget director. The state budget office shall notify the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies within 10 days after the approval is given.

(3) By April 1, the department of information technology shall report to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies that a statement of the total revenue received from the sale of paid advertising accepted under this section and a statement of the total number of advertising transactions are available on the department's website.

Sec. 574. The department of information technology may enter into agreements to supply spatial information and technical services to other principal executive departments, state agencies, local units of government, and other organizations. The department of information technology may receive and expend funds in addition to those authorized in part 1 for providing information and technical services, publications, maps, and other products. The department of information technology may expend amounts received for salaries, supplies, and equipment necessary to provide informational products and technical services. Prior to December 1 of each year, the department shall provide a report to the senate and house of representatives standing committees on appropriations subcommittees on general government, detailing the sources of funding and expenditures made under this section.

Sec. 575. The legislature shall have access to all historical and current data contained within MAIN pertaining to state departments. State departments shall have access to all historical and current data contained within MAIN.

Sec. 576. When used in this article, "information technology services" means services involving all aspects of managing and processing information including, but not limited to, all of the following:

(a) Application development and maintenance.

(b) Desktop computer support and management.

(c) Mainframe computer support and management.

(d) Server support and management.

(e) Local area network support and management.

(f) Information technology contract, project, and procurement management.

(g) Information technology planning and budget management.

(h) Telecommunication services, security, infrastructure, and support.

(i) Software and software licensing.

Sec. 577. (1) Funds appropriated in part 1 for the Michigan public safety communications system shall be expended upon approval of an expenditure plan by the state budget director.

(2) The department of information technology shall assess all subscribers of the Michigan public safety communications system reasonable access and maintenance fees.

(3) All money received by the department of information technology under this section shall be expended for the support and maintenance of the Michigan public safety communications system.

(4) The department of information technology shall provide a report to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director on April 15 and on October 15, indicating the amount of revenue collected under this section and expended for support and maintenance of the Michigan public safety communications system for the immediately preceding 6-month period. Any deposits made under this section and unencumbered funds are restricted revenues and may be carried forward into succeeding fiscal years.

Sec. 578. The department of information technology shall submit a report for the immediately preceding fiscal year ending September 30 to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1. The report shall include the following:

(a) The total amount of funding appropriated for information technology services and projects, by funding source, for all principal executive departments and agencies.

(b) A listing of the expenditures made from the amounts received by the department of information technology, as reported in subdivision (a).

Sec. 579. The department of information technology shall provide a report that analyzes and makes recommendations on the life-cycle of information technology hardware and software. The report shall be submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1.

Sec. 580. (1) From the funds appropriated in part 1 to general services, for the department of state, there is appropriated $4,550,000.00 for the business application modernization project. Funds shall only be used for the development, implementation, and maintenance of the business application modernization project.

(2) The unexpended funds appropriated in part 1 for the business application modernization project are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered or unallotted funds shall be carried over into the succeeding fiscal year and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at $30,000,000.00, and the tentative completion date is September 30, 2010.

Sec. 581. From the funds appropriated in part 1, the department of information technology shall conduct a study of the state's information technology assets, including hardware, software, and networks to determine any benefits and economies that can be achieved through, but not limited to, hardware and software consolidation and standardization, process improvements, project management improvements, and increased standards-based information sharing between agencies. The department shall provide a report on the findings of the study by March 1 to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies. The report shall summarize the top 10 initiatives that would provide the most benefit to the state and the cost of implementing those initiatives.

Sec. 584. Pursuant to section 584 of 2005 PA 146, the department of information technology shall complete a study with the department of human services, the department of community health, the department of labor and economic growth, the department of education, and the department of state police identifying all information and referral services for state government, including, but not limited to, 1-800 help lines, community resource databases, and public information outreach initiatives. The report shall summarize the purpose, scope, and cost of each service and identify potential cost savings to the state of Michigan through the shared use of 2-1-1. Due to the scope of the study, the original completion date for the study was not attainable. However, the department of information technology provided a preliminary report on April 7, 2006 reporting on funding secured for the study and communications to department directors enlisting support and identification of study liaisons for each department. The completed report shall be delivered to the senate and house of representatives standing committees on appropriations subcommittees on general government not later than October 15, 2006.

Sec. 585. The department shall provide a report that calculates the total amount of funds expended for the child support enforcement system to date from the inception of the program. The report shall contain information on the original start and completion dates for the project, the original cost to complete the project, and a listing of all revisions to project completion dates and costs. The report shall include the total amount of funds paid to the federal government for penalties. The report shall be submitted to the senate and house of representatives standing committees on government operations, the senate and house of representatives standing committees on appropriations subcommittees on general government, and the senate and house fiscal agencies by January 1.

LEGISLATURE

Sec. 600. The senate, the house of representatives, or an agency within the legislative branch may receive, expend, and transfer funds in addition to those authorized in part 1.

Sec. 601. (1) Funds appropriated in part 1 to an entity within the legislative branch shall not be expended or transferred to another account without written approval of the authorized agent of the legislative entity. If the authorized agent of the legislative entity notifies the state budget director of its approval of an expenditure or transfer before the year-end book-closing date for that legislative entity, the state budget director shall immediately make the expenditure or transfer. The authorized legislative entity agency shall be designated by the speaker of the house of representatives for house entities, the senate majority leader for senate entities, and the legislative council for legislative council entities.

(2) Funds appropriated within the legislative branch, to a legislative council component, shall not be expended by any agency or other subgroup included in that component without the approval of the legislative council.

Sec. 602. The senate may charge rent and assess charges for utility costs. The amounts received for rent charges and utility assessments are appropriated to the senate for the renovation, operation, and maintenance of the Farnum building and other properties.

Sec. 603. The appropriation contained in part 1 for national association dues is to be distributed by the legislative council.

Sec. 604. (1) The appropriation in part 1 to the legislative council includes funds to operate the legislative parking facilities in the capitol area. The legislative council shall establish rules regarding the operation of the legislative parking facilities.

(2) The legislative council shall collect a fee from state employees and the general public using certain legislative parking facilities. The revenues received from the parking fees shall be allocated by the legislative council.

Sec. 605. The appropriation in part 1 to the legislative council for publication of the Michigan manual is a work project account. The unexpended portion remaining on September 30 shall not lapse and shall be carried forward into the subsequent fiscal year for use in paying the associated biennial costs of publication of the Michigan manual.

Sec. 606. The appropriations in part 1 to the legislative branch, for property management, shall be used to purchase equipment and services for building maintenance in order to ensure a safe and productive work environment. These funds are designated as work project appropriations and shall not lapse at the end of the fiscal year, and shall continue

to be available for expenditure until the project has been completed. The total cost is estimated at $500,000.00, and the tentative completion date is September 30, 2011.

Sec. 607. The appropriations in part 1 to the legislative branch, for automated data processing, shall be used to purchase equipment, software, and services in order to support and implement data processing requirements and technology improvements. These funds are designated as work project appropriations and shall not lapse at the end of the fiscal year, and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at $500,000.00, and the tentative completion date is September 30, 2011.

Sec. 608. In addition to funds appropriated in part 1, the Michigan capitol committee publications save the flags fund account may accept contributions, gifts, bequests, devises, grants, and donations. Those funds that are not expended in the fiscal year ending September 30 shall not lapse at the close of the fiscal year, and shall be carried forward for expenditure in the following fiscal years.

Sec. 610. The funds appropriated in part 1 shall not be used to pay for health insurance benefits for unmarried domestic partners of legislators or legislative employees.

OFFICE OF THE AUDITOR GENERAL

Sec. 620. Pursuant to section 53 of article IV of the state constitution of 1963, the auditor general shall conduct audits of the judicial branch. The audits may include the supreme court and its administrative units, the court of appeals, and trial courts.

Sec. 621. (1) The auditor general shall take all reasonable steps to ensure that certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities participate in the audits of the books, accounts, and financial affairs of each principal executive department, branch, institution, agency, and office of this state.

(2) The auditor general shall strongly encourage firms with which the auditor general contracts to perform audits of the principal executive departments and state agencies to subcontract with certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities.

(3) The auditor general shall compile an annual report regarding the number of contracts entered into with certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities. The auditor general shall deliver the report to the state budget director and the senate and house of representatives standing committees on appropriations subcommittees on general government by November 1 of each year.

Sec. 622. From the funds appropriated in part 1 to the office of the auditor general, the auditor general's salary and the salaries of the remaining 2.0 FTE unclassified positions shall be set by the speaker of the house of representatives, the senate majority leader, the house of representatives minority leader, and the senate minority leader.

Sec. 623. Any audits, reviews, or investigations requested of the auditor general by the legislature or by legislative leadership, legislative committees, or individual legislators shall include an estimate of the additional costs involved and, when those costs exceed $50,000.00, should provide supplemental funding. The auditor general shall determine whether to perform those activities in keeping with Audit Directive No. 29, which describes the office of the auditor general's policy on responding to legislative requests.

DEPARTMENT OF MANAGEMENT AND BUDGET

Sec. 702. Proceeds in excess of necessary costs incurred in the conduct of transfers or auctions of state surplus, salvage, or scrap property made pursuant to section 267 of the management and budget act, 1984 PA 431, MCL 18.1267, are appropriated to the department of management and budget to offset costs incurred in the acquisition and distribution of federal surplus property.

Sec. 704. (1) The department of management and budget may receive and expend funds in addition to those authorized by part 1 for maintenance and operation services provided specifically to other principal executive departments or state agencies, the legislative branch, the judicial branch, or private tenants, or provided in connection with facilities transferred to the operational jurisdiction of the department of management and budget.

(2) The department of management and budget may receive and expend funds in addition to those authorized by part 1 for real estate, architectural, design, and engineering services provided specifically to other principal executive departments or state agencies, the legislative branch, or the judicial branch.

(3) The department of management and budget may receive and expend funds in addition to those authorized in part 1 for mail pickup and delivery services provided specifically to other principal executive departments and state agencies, the legislative branch, or the judicial branch.

(4) The department of management and budget may receive and expend funds in addition to those authorized in part 1 for purchasing services provided specifically to other principal executive departments and state agencies, the legislative branch, or the judicial branch.

Sec. 705. (1) The source of financing in part 1 for statewide appropriations shall be funded by assessments against longevity and insurance appropriations throughout state government in a manner prescribed by the department of management and budget. Funds shall be used as specified in joint labor/management agreements or through the coordinated compensation hearings process. Any deposits made under this subsection and any unencumbered funds are restricted revenues, may be carried over into the succeeding fiscal years, and are appropriated.

(2) In addition to the funds appropriated in part 1 for statewide appropriations, the department of management and budget may receive and expend funds in such additional amounts as may be specified in joint labor/management agreements or through the coordinated compensation hearings process in the same manner and subject to the same conditions as prescribed in subsection (1).

Sec. 706. To the extent a specific appropriation is required for a detail source of financing included in part 1 for the department of management and budget appropriations financed from special revenue and internal service and pension trust funds, or MAIN user charges, the specific amounts are appropriated within the special revenue internal service and pension trust funds in portions not to exceed the aggregate amount appropriated in part 1.

Sec. 707. In addition to the funds appropriated in part 1 to the department of management and budget, the department may receive and expend funds from other principal executive departments and state agencies to implement donated annual leave and administrative leave bank transfer provisions as may be specified in joint labor/management agreements. The amounts may also be transferred to other principal executive departments and state agencies under the joint agreement and any amounts transferred under the joint agreement are authorized for receipt and expenditure by the receiving principal executive department or state agency. Any amounts received by the department of management and budget under this section and intended, under the joint labor/management agreements, to be available for use beyond the close of the fiscal year and any unencumbered funds may be carried over into the succeeding fiscal year.

Sec. 708. The source of financing in part 1 for the Michigan administrative information network shall be funded by proportionate charges assessed against the respective state funds benefiting from this project in the amounts determined by the department.

Sec. 709. (1) Deposits against the interdepartmental grant from building occupancy and parking charges appropriated in part 1 shall be collected, in part, from state agencies, the legislative branch, and the judicial branch based on estimated costs associated with maintenance and operation of buildings managed by the department of management and budget. To the extent excess revenues are collected due to estimates of building occupancy charges exceeding actual costs, the excess revenues may be carried forward into succeeding fiscal years for the purpose of returning funds to state agencies.

(2) Appropriations in part 1 to the department of management and budget, for management and budget services from building occupancy charges and parking charges, may be increased to return excess revenue collected to state agencies.

Sec. 710. The department of management and budget shall notify the chairpersons of the senate and house of representatives standing committees on appropriations and the chairpersons of the senate and house of representatives standing committees on appropriations subcommittees on general government on any revisions that increase or decrease current contracts by more than $500,000.00 for computer software development, hardware acquisition, or quality assurance at least 14 days before the department of management and budget finalizes the revisions.

Sec. 711. The department of management and budget shall maintain an Internet website that contains notice of all invitations for bids and requests for proposals over $50,000.00 issued by the department or by any state agency operating under delegated authority. The department shall not accept an invitation for bid or request for proposal in less than 14 days after the notice is made available on the Internet website, except in situations where it would be in the best interest of the state and documented by the department. In addition to the requirements of this section, the department may advertise the invitations for bids and requests for proposals in any manner the department determines appropriate, in order to give the greatest number of individuals and businesses the opportunity to make bids or requests for proposals.

Sec. 712. The department of management and budget may receive and expend funds from the Vietnam veterans memorial monument fund as provided in the Michigan Vietnam veterans memorial act, 1988 PA 234, MCL 35.1051 to 35.1057. Funds are appropriated and allocated when received and may be expended upon receipt.

Sec. 713. The Michigan veterans' memorial park commission may receive and expend money from any source, public or private, including, but not limited to, gifts, grants, donations of money, and government appropriations, for the purposes described in Executive Order No. 2001-10. Funds are appropriated and allocated when received and may be expended upon receipt. Any deposits made under this section and unencumbered funds are restricted revenues and may be carried over into succeeding fiscal years.

Sec. 715. (1) Funds in part 1 for motor vehicle fleet are appropriated to the department of management and budget for administration and for the acquisition, lease, operation, maintenance, repair, replacement, and disposal of state motor vehicles.

(2) The appropriation in part 1 for motor vehicle fleet shall be funded by revenue from rates charged to principal executive departments and agencies for utilizing vehicle travel services provided by the department. Revenue in excess of the amount appropriated in part 1 from the motor transport fund and any unencumbered funds are restricted revenues and may be carried over into the succeeding fiscal year.

(3) It is the intent of the legislature that the department of management and budget have the authority to determine the appropriateness of vehicle assignment, to include year, make, model, size, and price of vehicle. The department may assign motor vehicles, permanently or temporarily, to state agencies and to institutions of higher education.

(4) Pursuant to the department of management and budget's authority under sections 213 and 215 of the management and budget act, 1984 PA 431, MCL 18.1213 and 18.1215, the department shall maintain a plan regarding the operation of the motor vehicle fleet. The plan shall include the number of vehicles assigned to, or authorized for use by, state departments and agencies, efforts to reduce vehicle expenditures, the number of cars in the motor vehicle fleet, the number of miles driven by fleet vehicles, and the number of gallons of fuel consumed by fleet vehicles. The plan shall include a calculation of the amount of state motor vehicle fuel taxes that would have been incurred by fleet vehicles if fleet vehicles were required by law to pay motor fuel taxes. The plan shall include a description of fleet garage operations, the goods sold and services provided by the fleet garage, the cost to operate the fleet garage, the number of fleet garage locations, and the number of employees assigned to each fleet garage. The plan may be adjusted during the fiscal year based on needs and cost savings to achieve the maximum value and efficiency from the state motor fleet. Within 60 days after the close of the fiscal year, the department shall provide a report to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies detailing the current plan and changes made to the plan during the fiscal year.

(5) The department of management and budget may charge state agencies for fuel cost increases that exceed $2.27 per gallon of unleaded gasoline. Revenues received from these charges are appropriated upon receipt.

Sec. 716. The department of management and budget shall adopt policies and procedures necessary for compliance by the department, other state departments and agencies, and state vendors and subcontractors, with the requirement under subsection (1) of section 261 of the management and budget act, 1984 PA 431, MCL 181.261, to provide a purchasing preference for products manufactured or services offered by Michigan-based firms.

Sec. 717. In determining whether the purchase, contracting for, providing of supplies, materials, services, insurance, utilities, third-party financing, equipment, printing, and other items needed by state departments or agencies is in the best interests of this state, and in making all discretionary decisions concerning the solicitation, award, amendment, cancellation, or appeal of state contracts, the department of management and budget shall consider all of the following:

(a) Whether a proposal by a vendor to provide services to this state using employees, contractors, subcontractors, or other individuals who are not citizens of the United States, legal resident aliens, or individuals with a valid visa would be detrimental to the state of Michigan, its residents, or the state's economy.

(b) Whether a proposal by a vendor to provide services to this state from a location outside of this state or the United States would be detrimental to the state of Michigan, its residents, or the state's economy.

(c) Whether a proposal by a vendor to provide goods to this state produced outside of this state or the United States would be detrimental to the state of Michigan, its residents, or the state's economy.

(d) Whether the acquisition of goods or services from a vendor that is an expatriated business entity located in a tax haven country or an affiliate of an expatriated business entity located in a tax haven country would be detrimental to the state of Michigan, its residents, or the state's economy. As used in this section, "expatriated business entity" means a corporation or an affiliate of the corporation incorporated in a tax haven country after September 11, 2001, but with the United States as the principal market for the public trading of the corporation's stock, as determined by the director of the department of management and budget. "Tax haven country" means each of the following: Barbados, Bermuda, British Virgin Islands, Cayman Islands, Commonwealth of the Bahamas, Cyprus, Gibraltar, Isle of Man, the Principality of Liechtenstein, the Principality of Monaco, and the Republic of the Seychelles.

(e) Whether the provision of services to this state at a location outside of this state or the United States would be detrimental to the privacy interests of Michigan residents, or risk the disclosure of personal information of Michigan residents, such as social security, financial, or medical data.

(f) Whether a proposal by a vendor to provide services to this state from a location outside of this state or the United States would constitute undue risk under a risk management policy, practice, or procedure adopted by the department of management and budget under section 204 of the management and budget act, 1984 PA 431, MCL 18.1204.

(g) Whether a proposal by a vendor to provide goods to this state produced outside of this state or the United States would constitute undue risk under a risk management policy, practice, or procedure adopted by the department of management and budget under section 204 of the management and budget act, 1984 PA 431, MCL 18.1204.

Sec. 718. The department of management and budget shall collect from vendors information necessary to comply with the requirements of this act, as determined by the department. The department of management and budget may require vendors to provide any of the following:

(a) Information relating to the location of work performed under a state contract by the vendor and any subcontractors, employees, or other persons performing a state contract.

(b) Information regarding the corporate structure and location of corporate employees and activities of the vendor, its affiliates, or any subcontractors.

(c) Notice of the relocation of the vendor, employees of the vendor, subcontractors of the vendor, or other persons performing services under a state contract outside of the state of Michigan.

Sec. 719. The department of management and budget may require that any vendor or subcontractor providing call or contact center services to the state of Michigan disclose to inbound callers the location from which the call or contact center services are being provided.

Sec. 721. In addition to the funds appropriated in part 1, the department of management and budget may receive and expend money from the Michigan law enforcement officers memorial monument fund as provided in the Michigan law enforcement officers memorial act, 2004 PA 177, MCL 28.781 to 28.787.

Sec. 722. In addition to the funds appropriated in part 1, the department of management and budget may receive and expend money from the Ronald Wilson Reagan memorial monument fund as provided in the Ronald Wilson Reagan memorial monument fund commission act, 2004 PA 489, MCL 399.261 to 399.266.

Sec. 723. The department shall make available to the public a list of all parcels of real property owned by the state that are available for purchase. The list shall be posted on the Internet through the department's website.

STATE BUILDING AUTHORITY

Sec. 725. (1) Subject to section 242 of the management and budget act, 1984 PA 431, MCL 18.1242, and upon the approval of the state building authority, the department may expend from the general fund of the state during the fiscal year ending September 30, 2007 an amount to meet the cash flow requirements of those state building authority projects solely for lease to a state agency identified in both part 1 and this section, and for which state building authority bonds or notes have not been issued, and for the sole acquisition by the state building authority of equipment and furnishings for lease to a state agency as permitted by 1964 PA 183, MCL 830.411 to 830.425, for which the issuance of bonds or notes is authorized by a legislative concurrent resolution that is effective for the fiscal year ending September 30, 2007. Any general fund advances for which state building authority bonds have not been issued shall bear an interest cost to the state building authority at a rate not to exceed that earned by the state treasurer's common cash fund during the period in which the advances are outstanding and are repaid to the general fund of the state.

(2) Upon sale of bonds or notes for the projects identified in part 1 or for equipment as authorized by legislative concurrent resolution and in this section, the state building authority shall credit the general fund of the state an amount equal to that expended from the general fund plus interest, if any, as defined in this section.

(3) For state building authority projects for which bonds or notes have been issued and upon the request of the state building authority, the state treasurer shall make advances without interest from the general fund as necessary to meet cash flow requirements for the projects, which advances shall be reimbursed by the state building authority when the investments earmarked for the financing of the projects mature.

(4) In the event that a project identified in part 1 is terminated after final design is complete, advances made on behalf of the state building authority for the costs of final design shall be repaid to the general fund in a manner recommended by the director and approved by the JCOS.

Sec. 726. (1) State building authority funding to finance construction or renovation of a facility that collects revenue in excess of money required for the operation of that facility shall not be released to a university or community college unless the institution agrees to reimburse that excess revenue to the state building authority. The excess revenue shall be credited to the general fund to offset rent obligations associated with the retirement of bonds issued for that facility. The auditor general shall annually identify and present an audit of those facilities that are subject to this section. Costs associated with the administration of the audit shall be charged against money recovered pursuant to this section.

(2) As used in this section, "revenue" includes state appropriations, facility opening money, other state aid, indirect cost reimbursement, and other revenue generated by the activities of the facility.

Sec. 727. (1) The state building authority rent appropriations in part 1 may also be expended for the payment of required premiums for insurance on facilities owned by the state building authority or payment of costs that may be incurred as the result of any deductible provisions in such insurance policies.

(2) If the amount appropriated in part 1 for state building authority rent is not sufficient to pay the rent obligations and insurance premiums and deductibles identified in subsection (1) for state building authority projects, there is appropriated from the general fund of the state the amount necessary to pay such obligations.

Sec. 728. The department of management and budget shall provide the JCOS and the senate and house fiscal agencies a report relative to the status of construction projects associated with state building authority bonds as of September 30 of each year, on or before October 15, or not more than 30 days after a refinancing or restructuring bond issue is sold. The report shall include, but is not limited to, the following:

(a) A list of all completed construction projects for which state building authority bonds have been sold, and which bonds are currently active.

(b) A list of all projects under construction for which sale of state building authority bonds is pending.

(c) A list of all projects authorized for construction or identified in an appropriations act for which approval of schematic/preliminary plans or total authorized cost is pending that have state building authority bonds identified as a source of financing.

DEPARTMENT OF STATE

Sec. 802. All funds made available by section 3171 of the insurance code of 1956, 1956 PA 218, MCL 500.3171, are appropriated and made available to the department of state to be expended only for the uses and purposes for which the funds are received as provided by sections 3171 to 3177 of the insurance code of 1956, 1956 PA 218, MCL 500.3171 to 500.3177.

Sec. 803. From the funds appropriated in part 1, the department of state shall sell copies of records including, but not limited to, records of motor vehicles, off-road vehicles, snowmobiles, watercraft, mobile homes, personal identification cardholders, drivers, and boat operators and shall charge $7.00 per record sold only as authorized in section 208b of the Michigan vehicle code, 1949 PA 300, MCL 257.208b, section 7 of 1972 PA 222, MCL 28.297, and sections 80130, 80315, 81114, and 82156 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.80130, 324.80315, 324.81114, and 324.82156. The revenue received from the sale of records shall be credited to the transportation administration collection fund created under section 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b.

Sec. 804. From the funds appropriated in part 1, the secretary of state may enter into agreements with the department of corrections for the manufacture of vehicle registration plates 15 months before the registration year in which the registration plates will be used.

Sec. 805. (1) The department of state may accept gifts, donations, contributions, and grants of money and other property from any private or public source to underwrite, in whole or in part, the cost of a departmental publication that is prepared and disseminated under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923. A private or public funding source may receive written recognition in the publication and may furnish a traffic safety message, subject to departmental approval, for inclusion in the publication. The department may reject a gift, donation, contribution, or grant. The department may furnish copies of a publication underwritten, in whole or in part, by a private source to the underwriter at no charge.

(2) The department of state may sell and accept paid advertising for placement in a departmental publication that is prepared and disseminated under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923. The department may charge and receive a fee for any advertisement appearing in a departmental publication and shall review and approve the content of each advertisement. The department may refuse to accept advertising from any person or organization. The department may furnish a reasonable number of copies of a publication to an advertiser at no charge.

(3) Pending expenditure, the funds received under this section shall be deposited in the Michigan department of state publications fund created by section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211. Funds given, donated, or contributed to the department from a private source are appropriated and allocated for the purpose for which the revenue is furnished. Funds granted to the department from a public source are allocated and may be expended upon receipt. The department shall not accept a gift, donation, contribution, or grant if receipt is conditioned upon a commitment of state funding at a future date. Revenue received from the sale of advertising is appropriated and may be expended upon receipt.

(4) Any unexpended revenues received under this section shall be carried over into subsequent fiscal years and shall be available for appropriation for the purposes described in this section.

(5) On March 1 of each year, the department of state shall file a report with the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director. The report shall include all of the following information:

(a) The amount of gifts, contributions, donations, and grants of money received by the department under this section for the prior fiscal year.

(b) A listing of the expenditures made from the amounts received by the department as reported in subdivision (a).

(c) A listing of any gift, donation, contribution, or grant of property other than funding received by the department under this section for the prior year.

(d) The total revenue received from the sale of paid advertising accepted under this section and a statement of the total number of advertising transactions.

(6) In addition to copies delivered without charge as the secretary of state considers necessary, the department of state may sell copies of manuals and other publications regarding the sale, ownership, or operation or regulation of motor vehicles, with amendments, at prices to be established by the secretary of state. As used in this subsection, the term “manuals and other publications” includes videos and proprietary electronic publications. All funds received from sales of these manuals and other publications shall be credited to the Michigan department of state publications fund.

Sec. 806. Funds collected by the department of state under section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211, are appropriated for all expenses necessary to provide for the costs of the publication. Funds are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 807. From the funds appropriated in part 1, the department of state shall use available balances at the end of the state fiscal year to provide payment to the department of state police in the amount of $321,900.00 for the services provided by the traffic accident records program as first appropriated in 1990 PA 196 and 1990 PA 208.

Sec. 808. From the funds appropriated in part 1, the department of state may restrict funds from miscellaneous revenue to cover cash shortages created from normal branch office operations. This amount shall not exceed $50,000.00 of the total funds available in miscellaneous revenue.

Sec. 809. (1) Commemorative and specialty license plate fee revenue collected by the department of state and deposited into the transportation administration collection fund is authorized for expenditure up to the amount of

revenue collected but not to exceed the amount appropriated to the department of state in part 1 to administer commemorative and specialty license plate programs.

(2) Commemorative and specialty license plate fee revenue collected by the department of state and deposited in the transportation administration collection fund, in addition to the amount appropriated in part 1 to the department of state, shall remain in the transportation administration collection fund and be available for future appropriation.

Sec. 810. (1) Collector plate and fund-raising registration plate revenues collected by the department of state are appropriated and allotted for distribution to the recipient university or public or private agency overseeing a state-sponsored goal when received. Distributions shall occur on a quarterly basis or as otherwise authorized by law. Any revenues remaining at the end of the fiscal year shall not lapse to the general fund but shall remain available for distribution to the university or agency in the next fiscal year.

(2) Funds or revenues in the Olympic education training center fund are appropriated for distribution to the Olympic education training center at Northern Michigan University. Distributions shall occur on a quarterly basis. Any undistributed revenue remaining at the end of the fiscal year shall be carried over into the next fiscal year.

Sec. 811. The department of state may produce and sell copies of a training video designed to inform registered automotive repair facilities of their obligations under Michigan law. The price shall not exceed the cost of production and distribution. The money received from the sale of training videos shall revert to the department of state and be placed in the auto repair facility account.

Sec. 812. (1) The department of state, in collaboration with the gift of life transplantation society or its successor federally designated organ procurement organization, may develop and administer a public information campaign concerning the Michigan organ donor program.

(2) The department may solicit funds from any private or public source to underwrite, in whole or in part, the public information campaign authorized by this section. The department may accept gifts, donations, contributions, and grants of money and other property from private and public sources for this purpose. A private or public funding source underwriting the public information campaign, in whole or in substantial part, shall receive sponsorship credit for its financial backing.

(3) Funds received under this section, including grants from state and federal agencies, shall not lapse to the general fund at the end of the fiscal year but shall remain available for expenditure for the purposes described in this section.

(4) Funding appropriated in part 1 for the organ donor program shall be used for producing a pamphlet to be distributed with driver licenses and personal identification cards regarding organ donations. The funds shall be used to update and print a pamphlet that will explain the organ donor program and encourage people to become donors by marking a checkoff on driver license and personal identification card applications.

(5) The pamphlet shall include a return reply form addressed to the gift of life organization. Funding appropriated in part 1 for the organ donor program shall be used to pay for return postage costs.

(6) In addition to the appropriations in part 1, the department of state may receive and expend funds from the organ and tissue donation education fund for administrative expenses.

Sec. 815. (1) At least 60 days prior to the announcement of secretary of state branch office closings, consolidations, or relocations, the department of state shall inform members of the senate and house of representatives standing committees on appropriations and legislators who represent affected areas regarding the details of the proposal. The information provided shall be in written form and include all analysis done regarding criteria for changes in the location of branch offices, including, but not limited to, branch transactions, revenue, and the impact on citizens of the affected area. The impact on citizens shall include information regarding additional distance to branch office locations resulting from the plan. The written notice provided by the department of state shall also include detailed estimates of costs and savings that will result from the overall changes made to the branch office structure.

(2) Prior to October 4, 2006, the department of state shall provide a report to the senate and house of representatives standing committees on appropriations subcommittees on general government regarding the department's branch optimization plan that was announced on April 26, 2004. The report shall include a listing of all closed offices detailing savings by office, including lease, utilities, and all other savings associated with the closed office. The department shall provide the same level of detail regarding costs for new leased facilities and expansions of current leased space.

Sec. 815a. By December 15, the department of state shall report to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies the number of branch office transactions completed online by Michigan residents in the immediately preceding fiscal year.

Sec. 816. (1) Any service assessment collected by the department of state from the user of a credit or debit card under section 3 of 1995 PA 144, MCL 11.23, is appropriated to the department for necessary expenses related to that service and may be remitted to a credit or debit card company, bank, or other financial institution. Funds are allocated for expenditure when they are received by the department of treasury.

(2) The service assessment imposed by the department of state for credit and debit card services may be based either on a percentage of each individual credit or debit card transaction, or on a flat rate per transaction, or both scaled to the amount of the transaction. However, the department shall not charge any amount for a service assessment which exceeds the costs billable to the department for service assessments.

(3) If there is a balance of service assessments received from credit and debit card services remaining on September 30, the balance may be carried forward to the following fiscal year and appropriated for the same purpose.

(4) As used in this section, "service assessment" means and includes costs associated with service fees imposed by credit and debit card companies and processing fees imposed by banks and other financial institutions.

Sec. 818. (1) Funds in part 1 for motorcycle safety education grants and administration are appropriated to the department of state for operation of the motorcycle safety education program previously operated by the department of education under section 811a of the Michigan vehicle code, 1949 PA 300, MCL 257.811a.

(2) Funds in part 1 for motorcycle safety education grants and administration shall be derived from original and renewal motorcycle license endorsements, annual motorcycle registration fees, and motorcycle operator driving test fees.

(3) Funds in part 1 for motorcycle safety education grants and administration shall be used to provide grants to colleges, universities, intermediate school districts, local school districts, law enforcement agencies, or other governmental agencies located in the state, to help subsidize safety training courses for individuals interested in operating motorcycles.

(4) Funds in part 1 for motorcycle safety education grants and administration may be used by the department of state for administration costs of the motorcycle safety education program, to include, but not be limited to, review and approval or disapproval of grant applications, monitoring eligibility of motorcycle safety instructors, conducting program evaluation, certifying third-party testers, and inspecting training sites.

Sec. 819. (1) From the funds appropriated in part 1 to the department of state for information technology services and projects, there is appropriated $4,550,000.00 for the business application modernization project. Funds shall only be used for the development, implementation, and maintenance of the business application modernization project.

(2) The unexpended funds appropriated in part 1 for the business application modernization project are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered or unallotted funds shall be carried over into the succeeding fiscal year and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at $30,000,000.00, and the tentative completion date is September 30, 2010.

Sec. 821. From the funds appropriated in part 1, the department of state shall complete a cost/benefit analysis regarding the feasibility of locating the Keweenaw County secretary of state branch office with the Keweenaw County department of human services office. The analysis shall include, but not be limited to, lease costs, building occupancy costs, property management costs, utilities, parking, distance between branch offices and issues related to the overall convenience for the citizens of Michigan. No later than December 1, 2006, the analysis shall be delivered to the members of the senate and house standing committees on appropriations subcommittees on general government and the house and senate fiscal agencies.

DEPARTMENT OF TREASURY

OPERATIONS

Sec. 902. (1) Amounts needed to pay for interest, fees, principal, arbitrage rebates as required by federal law, and costs associated with the payment, registration, trustee services, credit enhancements, and issuing costs in excess of the amount appropriated to the department of treasury in part 1 for debt service on notes and bonds that are issued by the state under sections 14, 15, and 16 of article IX of the state constitution of 1963 as implemented by 1967 PA 266, MCL 17.451 to 17.455, are appropriated.

(2) In addition to the amount appropriated to the department of treasury for debt service in part 1, there is appropriated an amount for fiscal year cash-flow borrowing costs to pay for interest on interfund borrowing made under 1967 PA 55, MCL 12.51 to 12.53.

Sec. 903. (1) From the funds appropriated in part 1, the department of treasury may contract with private collection agencies and law firms to collect taxes and other accounts due this state. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund collection costs and fees not to exceed 25% of the collections or 2.5% plus operating costs, whichever amount is prescribed by the contract. The appropriation to fund collection costs and fees for the collection of taxes or other accounts due this state are from the fund or account to which the revenues being collected are recorded or dedicated. However, if the taxes collected are constitutionally dedicated for a specific purpose, the appropriation of collection costs and fees are from the general purpose account of the general fund.

(2) From the funds appropriated in part 1, the department of treasury may contract with private collections agencies and law firms to collect defaulted student loans and other accounts due the Michigan guaranty agency. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund collection costs and fees not to exceed 22% of the collection or a lesser amount as prescribed by the contract. The appropriation to fund collection costs and fees for the auditing and collection of defaulted student loans due the Michigan guaranty agency is from the fund or account to which the revenues being collected are recorded or dedicated.

(3) The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the state budget director and the senate and house of representatives standing committees on appropriations not later

than November 30 stating the agencies or law firms employed, the amount of collections for each, the costs of collection, and other pertinent information relating to determining whether this authority should be continued.

Sec. 904. (1) The department of treasury, through its bureau of investments, may charge an investment service fee against the applicable retirement funds. The fees may be expended for necessary salaries, wages, contractual services, supplies, materials, equipment, travel, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement funds. Service fees shall not exceed the aggregate amount appropriated in part 1. The department of treasury shall maintain accounting records in sufficient detail to enable the retirement funds to be reimbursed periodically for fee revenue that is determined by the department of treasury to be surplus.

(2) In addition to the funds appropriated in part 1 from the retirement funds to the department of treasury, there is appropriated from retirement funds an amount sufficient to pay for the services of money managers, investment advisors, investment consultants, custodians, and other outside professionals, the state treasurer considers necessary to prudently manage the retirement funds' investment portfolios. The state treasurer shall report annually to the senate and house of representatives standing committees on appropriations and the state budget office concerning the performance of each portfolio by investment advisor.

Sec. 904a. (1) There is appropriated an amount sufficient to recognize and pay expenditures for financial services provided by financial institutions as provided under section 1 of 1861 PA 111, MCL 21.181.

(2) The appropriations under subsection (1) shall be funded by restricting revenues from common cash interest earnings and investment earnings in an amount sufficient to record these expenditures.

Sec. 905. (1) The department of treasury shall sell copies of the state tax manual, uniform accounting procedures manual, general property tax law manual, and other local government assistance manuals with amendments, at a price not to exceed the cost of production. The revenue received from the sale of preparation and local government assistance manuals shall revert to the department of treasury and be placed in the local government assistance manual revolving fund.

(2) In addition to the funds appropriated in part 1, revenue received from the sale of those manuals is appropriated.

Sec. 906. (1) The department of treasury shall charge for audits as permitted by state or federal law or under contractual arrangements with local units of government, other principal executive departments, or state agencies. A report detailing audits performed and audit charges for the immediately preceding fiscal year shall be submitted to the state budget director and the senate and house fiscal agencies not later than November 30.

(2) The appropriation in part 1 to the department of treasury, for state compliance audits, shall be used to cover the cost of the state audits performed by independent certified public accountants or department of treasury auditors. The scope of the state audit shall be defined by the state treasurer. The state audits shall be performed by independent certified public accountants contracted with by the state treasurer or by department of treasury auditors, if the county has agreed to contract with and pay the department for their financial single audit.

(3) The state audits shall be performed for the most current county fiscal year in conjunction with the financial single audit. The state audit may be performed either by certified public accountants contracted by the state treasurer or department of treasury staff, independent of the financial single audit, if a state audit has not been performed within the last 3 years.

Sec. 907. A revolving fund known as the assessor certification and training fund is created in the department of treasury. The assessor certification and training fund shall be used to organize and operate a property assessor certification and training program. Each participant certified and trained shall pay to the department of treasury an examination fee of $50.00, an initial certification fee of $50.00, an annual renewal fee of $75.00 for levels 1 and 2, and $125.00 for levels 3 and 4 to offset the cost of administering the certification and training program. Training courses shall be offered in assessment administration. Each participant shall pay a fee to cover the expenses incurred in offering the optional programs to certified assessing personnel and other individuals interested in an assessment career opportunity. The fees collected shall be credited to the assessor certification and training fund.

Sec. 908. The amount appropriated in part 1 to the department of treasury, home heating assistance program, is to cover the costs, including data processing, of administering federal home heating credits to eligible claimants and to administer the supplemental fuel cost payment program for eligible tax credit and welfare recipients.

Sec. 909. Revenue from the airport parking tax act, 1987 PA 248, MCL 207.371 to 207.383, is appropriated and shall be distributed under section 7a of the airport parking tax act, 1987 PA 248, MCL 207.377a.

Sec. 910. The disbursement by the department of treasury from the bottle deposit fund to dealers as required by section 3c(2) of the Initiated Law of 1976, MCL 445.573c, is appropriated.

Sec. 911. (1) There is appropriated an amount sufficient to recognize and pay refundable income tax credits as provided by the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(2) The appropriations under subsection (1) shall be funded by restricting income tax revenue in an amount sufficient to record these expenditures.

Sec. 912. A plaintiff in a garnishment action involving this state shall pay to the state treasurer 1 of the following:

(a) A fee of $6.00 at the time a writ of garnishment of periodic payments is served upon the state treasurer, as provided in section 4012 of the revised judicature act of 1961, 1961 PA 236, MCL 600.4012.

(b) A fee of $6.00 at the time any other writ of garnishment is served upon the state treasurer, except that the fee shall be reduced to $5.00 for each writ of garnishment for individual income tax refunds or credits filed by magnetic media.

Sec. 913. (1) The department of treasury may contract with private firms to appraise and, if necessary, appeal the assessments of senior citizen cooperative housing units. Payment for this service shall be from savings resulting from the appraisal or appeal process.

(2) Of the funds appropriated in part 1 to the department of treasury for the senior citizens' cooperative housing tax exemption program, a portion is to be utilized for a program audit of the program. The department of treasury shall forward copies of the audit report to the senate and house of representatives standing committees on appropriations subcommittees on general government and to the state budget office. The department of treasury may utilize up to 1% of the funds for program administration and auditing.

Sec. 914. The department of treasury may provide a $200.00 annual prize from the Ehlers internship award account in the gifts, bequests, and deposit fund to the runner-up of the Rosenthal prize for interns. The Ehlers internship award account is interest bearing.

Sec. 915. Pursuant to section 61 of the Michigan campaign finance act, 1976 PA 388, MCL 169.261, there is appropriated from the general fund to the state campaign fund an amount equal to the amounts designated for tax year 2006. Except as otherwise provided in this section, the amount appropriated shall not revert to the general fund and shall remain in the state campaign fund. Any amounts remaining in the state campaign fund in excess of $10,000,000.00 on December 31, 2006 shall revert to the general fund.

Sec. 916. The department of treasury may make available to interested entities otherwise unavailable customized unclaimed property listings of nonconfidential information in its possession. The charge for this information is as follows: 1 to 100,000 records at 2.5 cents per record and 100,001 or more records at .5 cents per record. The revenue received from this service shall be deposited to the appropriate revenue account or fund. The department shall submit an annual report on or before June 1 to the state budget director and the senate and house of representatives standing committees on appropriations that states the amount of revenue received from the sale of information.

Sec. 917. (1) There is appropriated for write-offs and advances an amount equal to total write-offs and advances for departmental programs, but not to exceed current year authorizations that would otherwise lapse to the general fund.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than November 30, stating the amounts appropriated for write-offs and advances under subsection (1).

Sec. 918. In addition to funds appropriated in part 1, the department of treasury may receive and expend funds for conducting tax orientation workshops and seminars. Funds received may not exceed costs incurred in conducting the workshops and seminars.

Sec. 919. (1) From funds appropriated in part 1, the department of treasury may contract with private auditing firms to audit for and collect unclaimed property due this state in accordance with the Michigan uniform unclaimed property act. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund auditing and collection costs and fees not to exceed 12% of the collections, or a lesser amount as prescribed by the contract. The appropriation to fund collection costs and fees for the auditing and collection of unclaimed property due this state is from the fund or account to which the revenues being collected are recorded or dedicated.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the state budget director and the senate and house of representatives standing committees on appropriations not later than November 30 stating the auditing firms employed, the amount of collections for each, the costs of collection, and other pertinent information relating to determining whether this authority should be continued.

Sec. 920. Payments from the appropriation in part 1 to the department of treasury for grants to counties in lieu of taxes for lands transferred to the federal government include a payment for Sleeping Bear Dunes national lakeshore under 1974 PA 359, MCL 3.901 to 3.910.

Sec. 921. The state general fund/general purpose appropriation in part 1 for renaissance zone reimbursement is allocated to reimburse public libraries as provided by section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for property taxes levied in 2006. Reimbursements shall be made in amounts to each eligible recipient not later than 60 days after the department of treasury has received all necessary information to properly determine the amounts due each eligible recipient under section 12(4) of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692. Any excess allocations shall lapse to the general fund.

Sec. 922. The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director by November 30 stating the amount of Michigan transportation fund revenue collected and the cost of collection.

Sec. 924. (1) In addition to the funds appropriated in part 1, the department of treasury may receive and expend principal residence audit fund revenue for administration of principal residence audits under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than December 31, stating the amount of revenue appropriated for principal residence audits under subsection (1).

Sec. 928. The department of treasury may provide receipt, warrant and cash processing, data, collection, investment, fiscal agent, levy and warrant cost assessment, writ of garnishment, and other user services on a contractual basis for other principal executive departments and state agencies. Funds for the services provided are appropriated and shall be expended for salaries and wages, fees, supplies, and equipment necessary to provide the services. Any unobligated balance of the funds received shall revert to the general fund of this state as of September 30.

Sec. 929. The department of treasury may enter into agreements to supply data or collection services to other executive principal departments or state agencies, the United States department of treasury, or local units of government within this state. The department of treasury shall charge for this tax data service and amounts received are appropriated and shall be expended for salaries and wages, fees, supplies, and equipment necessary to provide the service. Any unobligated balance of the fund shall revert to the general fund of this state as of September 30.

Sec. 930. (1) The department of treasury shall provide accounts receivable collections services to other principal executive departments and state agencies under 1927 PA 375, MCL 14.131 to 14.134. The department of treasury shall deduct a fee equal to the cost of collections from all receipts except unrestricted general fund collections. Fees shall be credited to a restricted revenue account and appropriated to the department of treasury to pay for the cost of collections. The department of treasury shall maintain accounting records in sufficient detail to enable the respective accounts to be reimbursed periodically for fees deducted that are determined by the department of treasury to be surplus to the actual cost of collections.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than November 30, stating the principal executive departments and state agencies served, funds collected, and costs of collection under subsection (1).

Sec. 931. (1) The appropriation in part 1 to the department of treasury for treasury fees shall be assessed against all restricted funds that receive common cash earnings. Treasury fees include all costs, including administrative overhead, relating to the investment of each restricted fund. The fee assessed against each restricted fund will be based on the size of the restricted fund (the absolute value of the average daily cash balance plus the market value of investments in the prior fiscal year) and the level of effort necessary to maintain the restricted fund as required by each department. The department of treasury shall provide a report to the state budget director, the senate and house of representatives standing committees on appropriations subcommittees on general government, and the senate and house fiscal agencies by November 30 of each year identifying the fees assessed against each restricted fund.

(2) In addition to the funds appropriated in part 1, the department of treasury may receive and expend investment fees relating to new restricted funding sources that participate in common cash earnings during the current fiscal year. When a new restricted fund is created starting on or after October 1, that restricted fund shall be assessed a fee using the same criteria identified in subsection (1).

Sec. 932. Revenue received under the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1442, may be expended by the board of directors of the Michigan education trust for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 933. (1) The $1,000,000.00 appropriated in part 1 for the Michigan education savings program is from the Michigan merit award trust fund to fund an incentive program for the Michigan education savings program created under the Michigan education savings program act, 2000 PA 161, MCL 390.1471 to 390.1486.

(2) The funds appropriated for the Michigan education savings program shall be used to provide a state match to dollars invested on behalf of each child named as a designated beneficiary in the Michigan education savings program who is 6 years of age or less, who is a Michigan resident, and whose family's income is $80,000.00 or less.

(3) During the current fiscal year, the state shall provide $1.00 of matching funds for each $3.00 of individual contributions to the educational savings accounts. The maximum state match for each designated beneficiary shall be $200.00.

(4) The state match shall be available only in the first year the child is enrolled in the Michigan education savings program.

Sec. 934. The department of treasury may expend revenues received under the hospital finance authority act, 1969 PA 38, MCL 331.31 to 331.84, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund. The department of treasury shall maintain accounting records in sufficient detail to enable the hospital clients to be reimbursed periodically for fees that are determined by the department of treasury to be surplus to needs.

Sec. 935. The department of treasury may expend revenue received under the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1076, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 936. The department of treasury shall establish a separate account for the funds related to the Michigan higher education facilities authority. The department of treasury may expend revenue received under the higher education facilities authority act, 1969 PA 295, MCL 390.921 to 390.934, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund. The department of treasury shall maintain accounting records in sufficient detail to enable the educational institution clients to be reimbursed periodically for fees that are determined by the department to be surplus to needs.

Sec. 937. The department of treasury may expend revenues received under the Michigan public educational facilities authority, Executive Order No. 2002-3, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 939. It is the intent of the legislature that the state treasurer, acting within his or her capacity as the investment fiduciary for public employee pension funds and consistent with 1965 PA 314, MCL 38.1132 to 38.1140m, give appropriate consideration to investments in early stage, university derived life science companies located in Michigan, or investments in venture capital funds that invest in those companies to the extent those investments offer the safety and rate of return comparable to other investments permitted and available at the time the investment decision is made.

Sec. 941. In addition to the funds appropriated in part 1, there is appropriated up to $570,000.00 from standardized audit schedules recovered delinquent tax collection revenues for the support of standardized audit schedule project expenses. The funding shall be used to exclusively support business tax audits related to sales tax, use tax, withholding, single business tax, and motor fuel tax obligations. Any unexpended funds at the end of the fiscal year shall lapse to the general fund.

Sec. 943. The department of treasury shall not include complete social security numbers in form 1099-G mailings to taxpayers.

Sec. 945. The assessment and certification division of the department of treasury may conduct a review of local unit assessment administration practices, procedures, and records, also known as the 14-point review, in at least 1 assessment jurisdiction per county.

Sec. 946. Members of the state tax commission and management level staff of the assessment and certification division may meet with statewide assessment organizations on a quarterly basis for the purpose of coordinating assessment and training activities. Recertification and training activities may be conducted at regional locations chosen to maximize participation of local officials.

Sec. 947. (1) Of the $5,856,800.00 included in part 1 for the revenue enhancement program, $5,356,800.00 shall be used for revenue collection enhancement activities including auditing functions.

(2) The department of treasury shall submit quarterly progress reports to the senate and house of representatives standing appropriation committees subcommittees on general government and the senate and house fiscal agencies, regarding personal property tax audits funded under subsection (1). The report shall include the number of audits, revenue generated, and number of complaints received by the department related to the audits.

(3) The $500,000.00 balance of the $5,856,800.00 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, 2007. 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 carryforward appropriations may be used to support costs in excess of $500,000.00.

(4) Unexpended appropriations of the revenue enhancement program are designated as work project appropriations and shall not lapse at the end of the fiscal year and shall continue to be available for expenditure until the project has been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to enhance revenue collection activities.

(b) The project will be accomplished by contract.

(c) The total estimated cost of the project is $24,600,000.00.

(d) The tentative completion date is September 30, 2009.

Sec. 948. By December 15, the department of treasury shall report to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies the number of tax returns, to include state income tax returns and single business tax returns, filed online by Michigan residents in the immediately preceding fiscal year.

Sec. 949. The department of treasury shall develop a plan for individual income tax form check-off initiatives. The plan shall be implemented beginning with the 2006 tax year. The plan shall include a process for determining the legal

and operational feasibility of each proposed income tax form checkoff. The department shall submit the plan to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by October 31, 2006.

Sec. 949b. From the funds appropriated in part 1, the state treasurer shall develop a cost allocation plan to identify the actual costs of work based on time and effort performed by the department of treasury for state restricted transportation funds. The cost allocation plan shall specifically identify the costs of collecting constitutionally restricted motor fuel taxes. The cost allocation plan shall be submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, the auditor general, and the state budget director by November 1. The cost allocation plan shall be subject to audit by the auditor general.

REVENUE SHARING

Sec. 950. (1) Revenue collected in accordance with section 10 of article IX of the state constitution of 1963 in excess of the amount appropriated in part 1 for constitutional revenue sharing is appropriated for distribution to townships, cities, and villages on a population basis as specified by law. The appropriation in part 1 for statutory state general revenue sharing grants to townships, cities, and villages shall be reduced by an amount equal to any additional constitutional revenue sharing appropriations authorized in this section.

(2) The appropriation in part 1 for statutory state general revenue sharing grants shall be distributed according to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921. Undistributed funds shall lapse to the general fund.

Sec. 952. The appropriation in part 1 for special grants to cities shall be used to restore revenue sharing reductions contained in Executive Order No. 2003-23 to a city that had an emergency financial manager appointed pursuant to the local government fiscal responsibility act, 1990 PA 72, MCL 141.1201 to 141.1291, continuously from December 10, 2003 through September 30, 2007.

Sec. 955. (1) There is appropriated to each county an amount equal to the amount distributed to each county for the fiscal year ending September 30, 2004, pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, adjusted by the inflation rate as defined in section 34d of the general property tax act, 1893 PA 206, MCL 211.34d, and reduced by the amount each county is authorized to annually expend in that county's fiscal year beginning after September 30, 2004, from its revenue sharing reserve fund pursuant to section 44a of the general property tax act, 1893 PA 206, MCL 211.44a.

(2) The department of treasury shall annually certify to the state budget director the amount each county is authorized to expend from its revenue sharing reserve fund.

Sec. 956. The department of treasury shall transmit special census revenue sharing payments to eligible cities, villages, and townships under the Glenn Steil revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921.

LOTTERY

Sec. 960. In addition to the funds appropriated in part 1 to the bureau of state lottery, there is appropriated from lottery revenues the amount necessary for, and directly related to, implementing and operating lottery games. Appropriations under this section shall only be expended for contractually mandated payments for vendor commissions, contractually mandated payments for instant tickets intended for resale, the contractual costs of providing and maintaining the on-line system communications network, and incentive and bonus payments to lottery retailers.

Sec. 961. The funds appropriated in part 1 to the bureau of state lottery shall not be used for any promotional efforts directed towards individuals who are less than 18 years of age.

Sec. 962. (1) The funds appropriated in part 1 to the bureau of state lottery shall not be used to directly or indirectly associate professional or amateur sports figures with the lottery or its products.

(2) The prohibition in subsection (1) does not apply to the use of NASCAR drivers in conjunction with the promotion of instant ticket products. By November 1, 2006, the bureau of state lottery shall provide a report detailing the amount of revenue generated under this subsection to the senate and house of representatives standing committees on appropriations subcommittees on general government. The report shall include the cost of obtaining the use of NASCAR drivers, other administrative costs, and net revenue deposited in the state school aid fund.

Sec. 963. The bureau of state lottery shall inform all lottery retailers that the cash side of department of human services bridge cards cannot be used to purchase lottery tickets.

CASINO GAMING

Sec. 971. From the revenue collected by the Michigan gaming control board regarding the total annual assessment of each casino licensee, $2,000,000.00 is appropriated and shall be deposited in the compulsive gaming prevention fund as described in section 12a(5) of the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.212a.

Sec. 972. In addition to the funds appropriated in part 1, funds distributed by the Michigan gaming control board to the department of treasury for oversight of casino gaming are appropriated upon receipt. These funds may be used to pay for costs incurred for casino gaming oversight activities.

Sec. 973. (1) Funds appropriated in part 1 for local government programs may be used to provide assistance to a local revenue sharing board referenced in an agreement authorized by the Indian gaming regulatory act, Public Law 100-497, 102 Stat. 2467.

(2) A local revenue sharing board described in subsection (1) shall comply with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(3) A county treasurer is authorized to receive and administer funds received for and on behalf of a local revenue sharing board. Funds appropriated in part 1 for local government programs may be used to audit local revenue sharing board funds held by a county treasurer. This section does not limit the ability of local units of government to enter into agreements with federally recognized Indian tribes to provide financial assistance to local units of government or to jointly provide public services.

(4) The director of the department of state police and the executive director of the Michigan gaming control board are authorized to assist the local revenue sharing boards in determining allocations to be made to local public safety organizations.

(5) The department of treasury shall submit a report by September 30 to the senate and house of representatives standing committees on appropriations and the state budget director on the receipts and distribution of revenues by local revenue sharing boards.

Sec. 974. If revenues collected in the state services fee fund are less than the amounts appropriated from the fund, available revenues shall be used to fully fund the appropriation in part 1 for casino gaming regulation activities before distributions are made to other state departments and agencies. If the remaining revenue in the fund is insufficient to fully fund appropriations to other state departments or agencies, the shortfall shall be distributed proportionally among those departments and agencies.

REVENUE STATEMENT

Sec. 1101. Pursuant to section 18 of article V of the state constitution of 1963, fund balances and estimates are presented in the following statement:

BUDGET RECOMMENDATIONS BY OPERATING FUNDS
(Amounts in millions)
Fiscal Year 2006-2007

	Fund	Beginning Unreserved Fund Balance	Estimated Revenue	Ending Balance
OPERATING FUNDS				
General fund/general purpose	0110	136.7	9,020.4	0.0
General fund/special purpose		478.7	15,297.5	662.7
Special Revenue Funds:				
Countercyclical budget and economic stabilization	0111	2.0	0.1	2.1
Game and fish protection	0112	18.9	63.2	4.0
Michigan employment security act administration	0113	0.0	123.4	4.1
State aeronautics	0114	1.4	182.3	0.0
Michigan veterans' benefit trust	0115	0.0	4.9	0.0
State trunkline	0116	0.0	1,200.1	0.0
Michigan state waterways	0117	14.9	25.5	7.6
Blue Water Bridge	0118	0.0	16.3	0.0
Michigan transportation	0119	0.0	2,080.2	0.0
Comprehensive transportation	0120	4.0	158.8	0.0
School aid	0122	93.8	13,022.9	0.0
Marine safety	0123	1.0	5.0	0.0
Game and fish protection trust	0124	6.0	12.0	6.0
State park improvement	0125	3.6	41.5	0.0
Forest development	0126	11.7	30.3	4.1
Michigan civilian conservation corps endowment	0128	0.3	6.0	0.0
Michigan natural resources trust	0129	34.1	54.7	30.8
Michigan state parks endowment	0130	10.9	16.2	7.8
Safety education and training	0131	4.9	7.1	2.6
Bottle deposit	0136	0.0	18.5	0.0
State construction code	0138	5.7	10.2	0.0
Children's trust	0139	1.3	3.3	2.3
State casino gaming	0140	16.2	32.0	1.2
Homeowner construction lien recovery	0141	4.4	1.6	2.8
Michigan nongame fish and wildlife	0143	0.3	0.5	0.0
Michigan merit award trust	0154	9.5	286.6	0.0
TOTALS		$860.3	$41,721.1	$738.1

ARTICLE 9
HISTORY, ARTS, AND LIBRARIES
PART 1
LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of history, arts, and libraries for the fiscal year ending September 30, 2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

APPROPRIATION SUMMARY:		
Full-time equated unclassified positions 6.0		
Full-time equated classified positions 232.0		
GROSS APPROPRIATION	$	54,863,700
Total interdepartmental grants and intradepartmental transfers		79,000
ADJUSTED GROSS APPROPRIATION	$	54,784,700
Total federal revenues		8,450,900
Total local revenues		0
Total private revenues		577,400
Total other state restricted revenues		2,581,200
State general fund/general purpose	$	43,175,200
Sec. 102. DEPARTMENT OPERATIONS (THRIVING ECONOMY)		
Full-time equated unclassified positions 6.0		
Full-time equated classified positions 30.0		
Unclassified salaries	$	222,300
Management services—29.0 FTE positions		2,090,600
Building occupancy charges and rent		3,180,100
Worker's compensation		14,000
Office of film and television services—1.0 FTE position		175,000
Human resources optimization user charges		16,100
GROSS APPROPRIATION	$	5,698,100
Appropriated from:		
State general fund/general purpose	$	5,698,100
Sec. 103. INFORMATION TECHNOLOGY (THRIVING ECONOMY)		
Information technology services and projects	$	953,100
GROSS APPROPRIATION	$	953,100
Appropriated from:		
Interdepartmental grant revenues:		
Special revenue funds:		
Mackinac Island state park fund		46,900
State general fund/general purpose	$	906,200
Sec. 104. MICHIGAN COUNCIL FOR ARTS AND CULTURAL AFFAIRS (THRIVING ECONOMY)		
Full-time equated classified positions 9.0		
Administration—9.0 FTE positions	$	726,600
Arts and cultural grants		10,144,300
GROSS APPROPRIATION	$	10,870,900
Appropriated from:		
Federal revenues:		
NFAH-NEA, promotion of the arts, partnership agreements		700,000
State general fund/general purpose	$	10,170,900
Sec. 105. MACKINAC ISLAND STATE PARK COMMISSION (THRIVING ECONOMY)		
Full-time equated classified positions 39.0		
Mackinac Island park operation—24.3 FTE positions	$	1,489,000
Historical facilities system—14.7 FTE positions		1,928,600
GROSS APPROPRIATION	$	3,417,600
Appropriated from:		
Interdepartmental grant revenues:		
Federal revenues:		
Federal funds		200,000

		For Fiscal Year Ending Sept. 30, 2007
Special revenue funds:		
Mackinac Island state park fund		1,521,200
Mackinac Island state park operation fund		154,500
State general fund/general purpose	$	1,541,900
Sec. 106. MICHIGAN HISTORICAL PROGRAM (THRIVING ECONOMY)		
Full-time equated classified positions 83.0		
Federal programs—12.0 FTE positions	$	1,993,500
Heritage publications		700,000
Historical administration and services—71.0 FTE positions		5,269,500
Private grants and gifts		502,400
Thunder Bay national marine sanctuary and underwater preserve		197,500
GROSS APPROPRIATION	$	8,662,900
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDOT, comprehensive transportation fund		3,400
IDG-MDOT, state aeronautics fund		2,100
IDG-MDOT, state trunkline fund		73,500
Federal revenues:		
DOI-NPS, historic preservation grants-in-aid		1,419,000
Federal funds		574,500
Special revenue funds:		
Private - grants and gifts		400,000
Private - Mann house trust fund		102,400
Game and fish protection fund		2,400
Heritage publication fund		700,000
Marine safety fund		500
Special revenue, internal service and pension trust		49,400
State lottery fund		18,800
Waterways fund		600
State general fund/general purpose	$	5,316,300
Sec. 107. LIBRARY OF MICHIGAN (THRIVING ECONOMY)		
Full-time equated classified positions 71.0		
Book distribution centers	$	350,000
Collected gifts and fees		161,900
Library of Michigan operations—71.0 FTE positions		6,543,800
Library services and technology act		5,557,400
State aid to libraries		12,143,000
Subregional state aid		505,000
GROSS APPROPRIATION	$	25,261,100
Appropriated from:		
Federal revenues:		
Library services and technology act		5,557,400
Special revenue funds:		
Private - gifts and bequests revenues		75,000
User fees		86,900
State general fund/general purpose	$	19,541,800

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is $45,756,400.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is $14,058,900.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

Arts and cultural grants	$	1,410,900
State aid to libraries		12,143,000
Subregional state aid		505,000
Total department of history, arts, and libraries	$	14,058,900

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

Sec. 203. As used in this appropriation article:

(a) "Department" means the department of history, arts, and libraries.

(b) "Director" means the director of the department of history, arts, and libraries.

(c) "DOI-NPS" means the United States department of interior, national park service.

(d) "Fiscal agencies" means the house fiscal agency and the senate fiscal agency.

(e) "FTE" means full-time equated.

(f) "IDG" means interdepartmental grant.

(g) "MCACA" means the Michigan council for arts and cultural affairs.

(h) "MDOT" means the Michigan department of transportation.

(i) "NEA" means the national endowment for the arts.

(j) "NFAH" means the national foundation of the arts and the humanities.

(k) "Subcommittees" means all members of the appropriate subcommittees of the senate and house of representatives appropriations committees.

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

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

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

Sec. 207. At least 60 days before beginning any effort to privatize, the department shall submit a complete project plan to the subcommittees and the fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the fiscal agencies and to the subcommittees within 30 months.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this article. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality.

Sec. 211. The department shall establish and maintain affirmative action programs based on guidelines developed by the state equal opportunity workforce planning council which was created by Executive Order No. 1996-13 in order to receive general fund/general purpose dollars.

Sec. 213. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology related services and projects. The user fees shall be subject to provisions of an interagency agreement between the departments and agencies and the department of information technology.

Sec. 214. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 215. (1) The department may provide and enter into agreements to provide general services, training, meetings, information, special equipment, software, and facility use, and technical consulting services to other principal executive departments, state agencies, local units of government, the judicial branch of government, other organizations, and patrons of department facilities. Fees for services shall be reasonably related to the cost of providing the services and shall be used to offset the costs of the services. The department may receive and expend funds in addition to those authorized in part 1 for the following:

(a) Supplying census-related information and technical services, publications, statistical studies, population projections and estimates, and other demographic products.

(b) Microfilming and other document and data imaging services, media, storage, and copies.

(c) Patron copier and document reproduction services and copies.

(d) Conferences, training classes, exhibits, programs, and workshops conducted as part of the department's mission.

(e) Use of specialized equipment, facilities, and software that permit distance learning and meetings, and group decision making.

(f) Special services including the rental of department exhibits and collections.

(g) Application fees.

(h) Grants, gifts, and bequests, including those for capital projects.

(2) The funds received under this section shall be deposited in and expended from the history, arts, and libraries fund established in section 216 of this article.

Sec. 216. (1) A fund known as the history, arts, and libraries fund is created in the department. The fund shall be used to receive and expend funds in addition to those authorized in part 1. The fund balance may be carried forward for expenditure in subsequent fiscal years.

(2) The department shall provide a report to the senate and house of representatives appropriations subcommittees on history, arts, and libraries of all revenues to and expenditures from the history, arts, and libraries fund. The report shall include an estimated fund balance for the fiscal year ending September 30, 2007. The report is due November 1, 2007.

Sec. 217. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2007 shall be limited to situations in which 1 or more of the following conditions apply:

(a) The travel is required by legal mandate or court order or for law enforcement purposes.

(b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.

(c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.

(d) The travel is necessary to comply with federal requirements.

(e) The travel is necessary to secure specialized training for staff that is not available within this state.

(f) The travel is financed entirely by federal or nonstate funds.

(2) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the senate and house of representatives appropriations committees.

(3) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the chairs and members of the senate and house of representatives appropriations committees, the fiscal agencies, and the state budget director. The report shall include the following information:

(a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

(d) A brief statement of the reason for each travel occurrence.

(e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

(f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 218. It is the intent of the legislature to explore supplemental fund sourcing options for the department of history, arts, and libraries.

Sec. 219. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 220. The department shall publish the proposed minutes of the Michigan film advisory commission on the Internet within 8 business days after the meeting to which the minutes refer. Approved minutes of the Michigan film advisory commission shall be posted on the Internet within 8 business days after their approval.

Sec. 221. It is the intent of the legislature to explore the costs and the benefits associated with strategically marketing this state's unique geographic and demographic filming locations through satellite film offices.

MICHIGAN COUNCIL FOR ARTS AND CULTURAL AFFAIRS

Sec. 401. (1) The MCACA in the department shall administer the arts and cultural grants appropriated in part 1.

(2) The MCACA shall render fair and independent decisions concerning arts and cultural grant requests and shall do all of the following:

(a) Use published criteria to evaluate program quality, including all of the following:

(*i*) The department's intended goals and outcomes for each program.

(*ii*) The department's quantifiable measures of success in meeting the intended goals and outcomes.

(b) Seek to award grants on an equitable geographic basis to the extent possible given the quality of grant applications received.

(c) Give priority to projects that serve multiple counties, leverage significant additional public and private investment, or demonstrate a significant potential to increase tourism or attract or retain businesses or residents.

(3) The MCACA shall not award a grant unless the proposed grant recipient agrees to both of the following:

(a) The grant will not be used to fund a project or activity that includes a display of human waste on religious symbols, a display of a sex act, or a depiction of flag desecration.

(b) Grant funding will not be used to create or promote a specific work that includes a display or depiction for which funding is prohibited under subdivision (a).

(4) The MCACA shall provide for fair, equitable, and efficient distribution of funds granted through the regional regranting program. The MCACA shall provide for an annual assessment of grant management and distribution of mini-grant awards by designated regional regranting agencies and review the methodology employed.

(5) The MCACA shall continue and expand its efforts to encourage and support nonprofit arts and cultural organizations to transition from solely volunteer-based organizations to professionally directed operations. Criteria for support include the requirement of collaboration between these organizations and other community organizations.

(6) The department shall withhold undistributed grant payments from a grant recipient who violates the terms of the agreement required under subsection (3) and may disqualify the grant recipient from award of future grants for a period of not more than 3 years.

Sec. 402. The MCACA may award grants to counties, cities, villages, townships, community foundations and organizations in the following categories:

(a) Anchor organization program for organizations that serve regional and statewide audiences. Anchor organizations shall demonstrate a commitment to education, to mentoring smaller organizations, and to reaching underserved audiences.

(b) Arts projects program.

(c) Arts and learning program.

(d) Artists in residence for education program.

(e) Arts organization development program.

(f) Capital improvement program.

(g) Local arts agencies services program.

(h) Regional regranting program.

(i) Partnership program.

(j) Rural arts and cultural program.

(k) Cultural projects program.

(*l*) Historical projects program.

(m) Discretionary grants program.

(n) Cultural and ethnic heritage centers and museums.

Sec. 403. (1) From the state funds appropriated in part 1 for arts and cultural grants, no one organization may receive more than 16% of this funding. It is the intent of the legislature that this percentage be reduced to 15% in fiscal year 2008.

(2) The MCACA shall make every effort to provide total grant awards in the anchor organization program at a level not to exceed 70% of the total amount appropriated for arts and cultural grants.

(3) As documented in the audit report that is submitted as part of the grant application process, the total of all grants awarded to any organization receiving grants within the anchor organization program may not exceed 15% of their "total unrestricted revenues, gains, and other support", as defined by the financial accounting standards board in the accounting standards for not-for-profit organizations or equivalent accounting standards for other types of eligible organizations.

(4) Before any amount appropriated for arts and cultural grants in part 1 may be expended for a grant to an eligible recipient, the department shall execute a grant agreement with the recipient. The grant agreement shall identify the projects funded, specify the category in section 402 under which the grant is awarded, and include the prohibitions and sanctions identified in section 401(3) and (6).

Sec. 404. Grant applicants must meet and adhere to the following requirements:

(a) Each applicant shall pay a nonrefundable application fee of $300.00 or 3% of the desired grant amount, whichever is less. Application fees shall be deposited in the history, arts, and libraries fund established in section 216. The department may use the application fee to offset its direct and indirect costs.

(b) An applicant for a grant under the anchor organization program shall submit with the application the applicant's most recent annual audit report which states their "total unrestricted revenues, gains, and other support", as defined by the financial accounting standards board in the accounting standards for not-for-profit organizations or equivalent accounting standards for other types of eligible organizations. The audit report must cover an audit period that ends within 18 months of the date of the application.

(c) Each applicant shall identify proposed matching funds from local and/or private sources on a dollar-for-dollar basis. The dollar-for-dollar match may include the reasonable value of services, materials, and equipment as allowed under the federal internal revenue code for charitable contributions.

Sec. 405. Each grant recipient shall provide the MCACA with the following:

(a) Proof of the entire amount of the matching funds, services, materials, or equipment by the end of the award period.

(b) Within 30 days following the end of the grant period, a final report that includes the following:

(*i*) Project revenues and expenditures including grant matching fund amounts.

(*ii*) Number of patrons attracted or benefiting during the grant period.

(*iii*) A narrative summary of each project and its outcome, including all of the following:

(A) How the project supported achieving the department's intended goals and outcomes for each program.

(B) How the project met the quantifiable measures of success in meeting the goals and outcomes.

(c) By April 7 of the grant year, each recipient of a grant greater than $100,000.00 shall submit an interim report that includes the items identified in subdivision (b).

Sec. 406. (1) The department shall make the following reports:

(a) A report identifying the website location that contains a list of all grant recipients, sorted by county. This report shall be provided to each legislator within 1 business day of the announcement of annual awards by the MCACA.

(b) A report to the senate and house of representatives appropriations subcommittees, the state budget office, and the fiscal agencies, within 30 days after the MCACA announces the annual grant awards, that includes all of the following:

(*i*) A listing of each applicant.

(*ii*) The county of residence of the applicant.

(*iii*) The amount requested.

(*iv*) The amount awarded.

(*v*) The grant category under which an applicant applied.

(*vi*) A summary of projects funded for each recipient.

(*vii*) The expected number of patrons for an applicant during the grant period.

(*viii*) The amount of matching funds proposed by each applicant.

(*ix*) A listing containing the applicant, county of residence of the applicant, and amount awarded for any regranted funds in the preceding fiscal year.

(c) An annual report to the appropriations subcommittees, the state budget office, and the fiscal agencies is due when materials are first distributed by the MCACA seeking grant applications for the subsequent fiscal year. The report shall contain the following:

(*i*) The MCACA guidelines for awarding grants, including the intended program goals and outcomes and quantifiable measures of success in meeting the goals and outcomes.

(*ii*) A summary of any changes in the program guidelines from the previous fiscal year.

(d) An annual report to the appropriations subcommittees, the state budget office, and the fiscal agencies on the success in meeting program goals and outcomes for the preceding fiscal year. The report is due by February 1 and shall contain all of the following:

(*i*) The MCACA intended program goals and outcomes.

(*ii*) A summary by program of performance according to the established quantifiable measures of success for meeting intended goals and outcomes.

(*iii*) The reasons why outcomes or goals were not met.

(*iv*) The plans for better achieving the outcomes and goals in the future.

(2) The council shall report to the chairpersons of the senate and house of representatives appropriations subcommittees on history, arts, and libraries by August 1 all unexpended or unencumbered discretionary grant funding that is available. The council shall not redistribute any unexpended or unencumbered grant funds during the fiscal year without a 10-day notice to the chairpersons of the senate and house of representatives appropriations subcommittees on history, arts, and libraries.

Sec. 407. It is the intent of the legislature to amend the income tax act of 1967, MCL 206.1 to 206.532, to create a designation on the Michigan income tax form for contributions to the Michigan council for arts and cultural affairs grant program.

Sec. 408. From the funds appropriated in section 104, arts and cultural grants, the department may assign priority funding to cultural and ethnic heritage centers and museums whose primary mission is to present, preserve, and promote the culture and heritage of distinct ethnic and racial groups and to educate the public regarding their contributions in a manner that fosters tolerance and understanding of diversity among Michigan citizens. These organizations must meet all other application eligibility criteria and requirements to be considered for an MCACA grant award. Applications for these grants for fiscal year 2007 may be accepted by the department until November 30, 2006.

MICHIGAN HISTORICAL PROGRAM

Sec. 501. The federal funds appropriated in part 1 for the historic site preservation grants are for work projects and shall not lapse at the end of the fiscal year but shall continue to be available for expenditure until the projects for which the funds were reserved have been completed or are terminated. The purpose of these work projects is the identification, designation, and preservation of historic resources. The method used will be to solicit applications, score applications based upon established criteria, and award subgrants. The department shall execute a grant agreement with each recipient. The total cost is $200,000.00, and the tentative completion date is September 30, 2007.

Sec. 502. Funds collected by the department under sections 3, 6, 7, and 7a of 1913 PA 271, MCL 399.3, 399.6, 399.7, and 399.7a, are appropriated to the department for the purposes for which they were received, are allocated for expenditure upon receipt and may be carried forward for expenditure in subsequent fiscal years.

Sec. 503. For the purposes of administering the museum store as provided in section 7a of 1913 PA 271, MCL 399.7a, the department is exempt from section 261 of the management and budget act, 1984 PA 431, MCL 18.1261.

Sec. 505. From the funds appropriated in part 1 for historical administration and services, $25,000.00 shall be allocated to support the operations of the Michigan freedom trail commission as specified in section 4 of the Michigan freedom trail commission act, 1998 PA 409, MCL 399.84. These funds shall be used to reimburse commission members, to pay for necessary contractual services of the commission, and to hire not more than 1.0 FTE position in the department's Michigan historical center to support commission operations.

Sec. 506. Proceeds in excess of costs incurred in the conduct of auctions, sales, or transfers of artifacts no longer considered suitable for the collections of the state historical museum are appropriated to the department and may be expended upon receipt for additional material for the collection. The department shall notify the chairpersons, vice chairpersons, and minority vice chairpersons of the senate and house of representatives appropriations subcommittees on history, arts, and libraries 1 week prior to any auctions or sales.

Sec. 507. Unless prohibited by law, the department shall make available to the historical society of Michigan the use of the Michigan history magazine subscriber list, or a portion of the Michigan history magazine subscriber list, at a cost not to exceed the actual expense incurred for providing a single mailing.

LIBRARY OF MICHIGAN

Sec. 601. In order to receive subregional state aid as appropriated in part 1 to the library of Michigan, a subregional library's fiscal agency must agree to maintain local funding support at the same level in the current fiscal year as in the fiscal agency's preceding fiscal year. If a reduction in expenditures equally affects all agencies in a local unit of government that is the subregional library's fiscal agency, that reduction shall not be interpreted as a reduction in local support and shall not disqualify a subregional library from receiving state aid under part 1. If a reduction in income affects a library cooperative or district library that is a subregional library's fiscal agency or a reduction in expenditures for the subregional library's fiscal agency, a reduction in expenditures for the subregional library shall not be interpreted as a reduction in local support and shall not disqualify a subregional library from receiving state aid under part 1.

Sec. 602. The funds appropriated in part 1 for a subregional library shall not be released until a budget for that subregional library has been approved by the department for expenditures for library services directly serving the blind and persons with disabilities.

Sec. 607. The funds appropriated in part 1 for book distribution centers shall be equally distributed to the public enrichment foundation and the Michigan friends of education.

ARTICLE 10

HUMAN SERVICES

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of human services for the fiscal year ending September 30, 2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF HUMAN SERVICES

APPROPRIATION SUMMARY:		
Full-time equated classified positions	10,338.4	
Full-time equated unclassified positions	5.0	
Total full-time equated positions	10,343.4	
GROSS APPROPRIATION		$ 4,468,155,300
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		3,102,700
ADJUSTED GROSS APPROPRIATION		$ 4,465,052,600
Federal revenues:		
Total federal revenues		3,135,487,200

		For Fiscal Year Ending Sept. 30, 2007
Special revenue funds:		
Total private revenues		8,876,100
Total local revenues		55,519,400
Total other state restricted revenues		67,702,000
State general fund/general purpose	$	1,197,467,900
Sec. 102. EXECUTIVE OPERATIONS (VULNERABLE)		
Full-time equated unclassified positions 5.0		
Full-time equated classified positions 455.3		
Unclassified salaries—5.0 FTE positions	$	537,200
Salaries and wages—310.3 FTE positions		16,257,600
Contractual services, supplies, and materials		5,689,300
Demonstration projects—12.0 FTE positions		7,062,500
Inspector general salaries and wages—106.0 FTE positions		5,531,100
Electronic benefit transfer EBT		7,333,600
Office of professional development—12.0 FTE positions		2,340,400
Michigan community service commission—15.0 FTE positions		9,430,800
State office of administrative hearings and rules		3,414,300
GROSS APPROPRIATION	$	57,596,800
Appropriated from:		
Federal revenues:		
Total federal revenues		37,438,600
Special revenue funds:		
Total private revenues		2,199,600
Total local revenues		175,000
Total other state restricted revenues		25,000
State general fund/general purpose	$	17,758,600
Sec. 103. CHILD SUPPORT ENFORCEMENT (VULNERABLE)		
Full-time equated classified positions 213.7		
Child support enforcement operations—207.7 FTE positions	$	22,980,200
Legal support contracts		140,753,600
Child support incentive payments		32,409,600
State disbursement unit—6.0 FTE positions		18,481,900
GROSS APPROPRIATION	$	214,625,300
Appropriated from:		
Federal revenues:		
Total federal revenues		197,714,500
Special revenue funds:		
Total local revenues		340,000
Total other state restricted revenues		600,000
State general fund/general purpose	$	15,970,800
Sec. 104. COMMUNITY ACTION AND ECONOMIC OPPORTUNITY (VULNERABLE)		
Full-time equated classified positions 17.0		
Bureau of community action and economic opportunity operations—17.0 FTE positions	$	1,854,700
Community services block grants		27,068,000
Weatherization assistance		18,418,700
GROSS APPROPRIATION	$	47,341,400
Appropriated from:		
Federal revenues:		
Total federal revenues		47,341,400
Special revenue funds:		
State general fund/general purpose	$	0
Sec. 105. ADULT AND FAMILY SERVICES (VULNERABLE)		
Full-time equated classified positions 47.2		
Executive direction and support—6.0 FTE positions	$	505,900
Domestic violence prevention and treatment—5.5 FTE positions		14,704,000
Rape prevention and services		2,600,000

		For Fiscal Year Ending Sept. 30, 2007
Guardian contract		600,000
Adult services policy and administration—6.0 FTE positions		609,300
Income support policy and administration—29.7 FTE positions		5,663,500
Employment and training support services		30,137,000
Wage employment verification reporting		848,700
Urban and rural empowerment/enterprise zones		100
Nutrition education		8,569,900
Marriage initiative		2,475,000
Fatherhood initiative		1,725,000
Crisis prevention and elder law of Michigan food for the elderly project		370,000
GROSS APPROPRIATION	$	68,808,400
Appropriated from:		
Federal revenues:		
Total federal revenues		49,985,000
Special revenue funds:		
State general fund/general purpose	$	18,823,400
Sec. 106. CHILD AND FAMILY SERVICES (VULNERABLE)		
Full-time equated classified positions 85.4		
Salaries and wages—29.7 FTE positions	$	1,768,900
Contractual services, supplies, and materials		948,700
Refugee assistance program—2.9 FTE positions		12,700,300
Foster care payments		131,709,300
Wayne County foster care payments		56,488,300
Adoption subsidies		232,705,300
Adoption support services—7.7 FTE positions		14,354,700
Youth in transition—2.0 FTE positions		13,363,100
Interstate compact		231,600
Children's benefit fund donations		21,000
Teenage parent counseling—2.3 FTE positions		3,815,800
Families first		16,946,700
Child safety and permanency planning		16,286,700
Strong families/safe children		13,395,300
Child protection/community partners—18.3 FTE positions		5,539,400
Zero to three		3,843,800
Family group decision making		2,454,700
Family reunification program		3,977,100
Family preservation and prevention services administration—14.5 FTE positions		2,252,300
Black child and family institute		100,000
Children's trust fund administration—8.0 FTE positions		761,000
Children's trust fund grants		3,825,100
ECIC, early childhood investment corporation		100
Attorney general contract		3,209,200
Prosecuting attorney contracts		1,061,700
GROSS APPROPRIATION	$	541,760,100
Appropriated from:		
Federal revenues:		
Total federal revenues		331,148,200
Special revenue funds:		
Private - children's benefit fund donations		21,000
Private - collections		2,802,600
Local funds - county chargeback		24,742,900
Children's trust fund		3,535,300
State general fund/general purpose	$	179,510,100
Sec. 107. JUVENILE JUSTICE SERVICES (SAFETY)		
Full-time equated classified positions 714.5		
High security juvenile services—311.0 FTE positions	$	28,286,000
Medium security juvenile services—254.0 FTE positions		19,607,400

		For Fiscal Year Ending Sept. 30, 2007
Low security juvenile services—34.0 FTE positions		3,022,800
Community juvenile justice centers—37.0 FTE positions		3,408,700
Child care fund		195,000,000
Child care fund administration—5.8 FTE positions		748,300
County juvenile officers		3,765,600
Community support services—2.0 FTE positions		1,492,200
Juvenile justice field staff, administration and maintenance—50.0 FTE positions		8,033,500
Federally funded activities—13.7 FTE positions		1,816,200
W.J. Maxey memorial fund		45,000
Juvenile accountability incentive block grant—3.0 FTE positions		2,606,700
Committee on juvenile justice administration—4.0 FTE positions		496,500
Committee on juvenile justice grants		5,000,000
GROSS APPROPRIATION	$	273,328,900
Appropriated from:		
Federal revenues:		
Total federal revenues		98,553,100
Special revenue funds:		
Total private revenues		645,000
Local funds - state share education funds		3,000,000
Local funds - county chargeback		26,742,800
State general fund/general purpose	$	144,388,000
Sec. 108. LOCAL OFFICE STAFF AND OPERATIONS (VULNERABLE)		
Full-time equated classified positions 8,023.9		
Field staff, salaries and wages—7,875.1 FTE positions	$	381,563,200
Contractual services, supplies, and materials		17,945,900
Medical/psychiatric evaluations		4,300,000
Donated funds positions—11.0 FTE positions		829,500
Training and program support—49.0 FTE positions		7,022,200
Food stamp reinvestment—78.8 FTE positions		11,315,300
Wayne County gifts and bequests		100,000
Volunteer services and reimbursement		1,544,900
SSI advocates—10.0 FTE positions		853,900
GROSS APPROPRIATION	$	425,474,900
Appropriated from:		
Interdepartmental grant revenues:		
IDG from DCH - medical services administration		1,389,400
ADJUSTED GROSS APPROPRIATION	$	424,085,500
Appropriated from:		
Federal revenues:		
Total federal revenues		252,381,400
Special revenue funds:		
Local funds - donated funds		214,300
Private funds - donated funds		178,200
Private funds - Wayne County gifts		100,000
Private funds - hospital contributions		1,910,300
Supplemental security income recoveries		853,900
State general fund/general purpose	$	168,447,400
Sec. 109. DISABILITY DETERMINATION SERVICES (VULNERABLE)		
Full-time equated classified positions 568.4		
Disability determination operations—545.9 FTE positions	$	80,510,700
Medical consultation program—18.4 FTE positions		2,942,600
Retirement disability determination—4.1 FTE positions		813,700
GROSS APPROPRIATION	$	84,267,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG from DMB - office of retirement systems		1,102,700
ADJUSTED GROSS APPROPRIATION	$	83,164,300

		For Fiscal Year Ending Sept. 30, 2007
Appropriated from:		
Federal revenues:		
Total federal revenues		80,189,700
Special revenue funds:		
State general fund/general purpose	$	2,974,600
Sec. 110. CENTRAL SUPPORT ACCOUNTS (VULNERABLE, EFFECTIVE GOVERNMENT)		
Rent	$	42,481,300
Occupancy charge		9,361,400
Travel		5,723,400
Equipment		277,300
Worker's compensation		4,231,000
Advisory commissions		17,900
Human resources optimization user charges		634,500
Payroll taxes and fringe benefits		244,029,900
GROSS APPROPRIATION	$	306,756,700
Appropriated from:		
Interdepartmental grant revenues:		
IDG from DCH - medical services administration		610,600
ADJUSTED GROSS APPROPRIATION	$	306,146,100
Appropriated from:		
Federal revenues:		
Total federal revenues		188,526,900
Special revenue funds:		
Local funds - county chargeback		304,400
Private funds - hospital contributions		1,019,400
State general fund/general purpose	$	116,295,400
Sec. 111. OFFICE OF CHILDREN AND ADULT LICENSING (SAFETY)		
Full-time equated classified positions 213.0		
AFC, children's welfare and day care licensure—213.0 FTE positions	$	22,477,400
GROSS APPROPRIATION	$	22,477,400
Appropriated from:		
Federal revenues:		
Total federal revenues		11,813,900
Special revenue funds:		
Licensing fees		646,400
Health systems fees and collections		115,900
State general fund/general purpose	$	9,901,200
Sec. 112. PUBLIC ASSISTANCE (VULNERABLE)		
Family independence program	$	354,710,100
State disability assistance payments		32,810,300
Food assistance program benefits		1,221,340,900
State supplementation		58,801,300
State supplementation administration		2,477,100
Low-income home energy assistance program		116,451,600
Food bank funding		525,000
Homeless shelter contracts		11,646,700
Multicultural assimilation funding		1,715,500
Indigent burial		5,909,300
Emergency services local office allocations		21,865,500
Day care services		462,381,200
GROSS APPROPRIATION	$	2,290,634,500
Appropriated from:		
Federal revenues:		
Total federal revenues		1,743,163,500
Special revenue funds:		
Child support collections		47,710,700

		For Fiscal Year Ending Sept. 30, 2007
Supplemental security income recoveries		9,104,800
Public assistance recoupment revenue		5,110,000
State general fund/general purpose	$	485,545,500
Sec. 113. INFORMATION TECHNOLOGY (VULNERABLE, EFFECTIVE GOVERNMENT)		
Information technology services and projects	$	84,803,600
Child support automation		51,280,300
GROSS APPROPRIATION	$	136,083,900
Appropriated from:		
Federal revenues:		
Total federal revenues		97,231,000
Special revenue funds:		
State general fund/general purpose	$	38,852,900
Sec. 114. BUDGETARY SAVINGS		
Budgetary savings	$	(1,000,000)
GROSS APPROPRIATION	$	(1,000,000)
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	$	(1,000,000)

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is $1,265,169,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is $113,717,400.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HUMAN SERVICES		
PERMANENCY FOR CHILDREN		
Child care fund	$	108,430,100
County juvenile officers		3,276,000
OPPORTUNITY FOR ADULTS TO LIVE AND WORK IN THE COMMUNITY		
State disability program	$	2,011,300
TOTAL	$	113,717,400

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

Sec. 203. As used in this article:

(a) “AFC” means adult foster care.

(b) “Department” means the department of human services.

(c) “FTE” means full-time equated.

(d) “GED” means general educational development.

(e) “RSDI” means retirement survivors disability insurance.

(f) “SSI” means supplemental security income.

(g) “Temporary assistance for needy families” or “TANF” or “title IV-A” means part A of title IV of the social security act, 42 USC 601 to 604, 605 to 608, and 609 to 619.

(h) “Title IV-D” means part D of title IV of the social security act, 42 USC 651 to 655, and 656 to 669b.

(i) “Title IV-E” means part E of title IV of the social security act, 42 USC 670 to 673, 673b to 679, and 679b.

(j) “VA” means veterans affairs.

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

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

(2) The state budget director may grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause loss of revenue to the state, result in the inability of the state to receive federal funds, or necessitate additional expenditures

that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives appropriations committees and the senate and house fiscal agencies and policy offices on the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

Sec. 207. At least 60 days before beginning any effort to privatize services, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. Sanctions, suspensions, conditions for provisional license status, and other penalties shall not be more stringent for private service providers than for public entities performing equivalent or similar services. Private service providers or licensees shall not be granted preferential treatment or deemed automatically in compliance with administrative rules based on whether they have collective bargaining agreements with direct care workers. Private service providers or licensees without collective bargaining agreements shall not be subjected to additional requirements or conditions of licensure based on their lack of such collective bargaining agreements. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 9 months.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this article. This shall include transmission of reports via electronic mail, including a link to the Internet site, to the recipients identified for each reporting requirement, or it may include placement of reports on the Internet or Intranet site. On an annual basis, the department shall provide a cumulative listing of the reports to the house and senate appropriations subcommittees and the house and senate fiscal agencies and policy offices.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable value.

Sec. 210. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 212. In addition to funds appropriated in part 1 for all programs and services, there is appropriated for write-offs of accounts receivable, deferrals, and for prior year obligations in excess of applicable prior year appropriations, an amount equal to total write-offs and prior year obligations, but not to exceed amounts available in prior year revenues or current year revenues that are in excess of the authorized amount.

Sec. 213. (1) The department may retain all of the state's share of food assistance overissuance collections as an offset to general fund/general purpose costs. Retained collections shall be applied against federal funds deductions in all appropriation units where department costs related to the investigation and recoupment of food assistance overissuances are incurred. Retained collections in excess of such costs shall be applied against the federal funds deducted in the executive operations appropriation unit.

(2) The department shall report to the legislature during the senate and house budget hearings on the status of the food stamp error rate. The report shall include at least all of the following:

(a) An update on federal sanctions and federal requirements for reinvestment due to the food stamp error rate.

(b) Review of the status of training for employees who administer the food assistance program.

(c) An outline of the past year's monthly status of worker to food stamp cases and monthly status of worker to food stamp applications.

(d) Information detailing the effect and change in staffing due to the early retirement option.

(e) Corrective action through policy, rules, and programming being taken to reduce the food stamp error rate.

(f) Any other information regarding the food stamp error rate, including information pertaining to technology and computer applications used for the food assistance program.

Sec. 214. (1) The department shall submit a report to the chairpersons of the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on the details of allocations within program budgeting line items and within the salaries and wages line items in all appropriation units. The report shall include a listing, by account, dollar amount, and fund source, of salaries and wages; longevity and insurance; retirement; contractual services, supplies, and materials; equipment; travel; and grants within each program line item appropriated for the fiscal year ending September 30, 2007.

(2) On a bimonthly basis, the department shall report on the number of FTEs in pay status by type of staff.

Sec. 215. (1) If a legislative objective of this article or the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, cannot be implemented without loss of federal financial participation because implementation would conflict with or violate federal regulations, the department shall notify the state budget director, the house and senate appropriations committees, and the house and senate fiscal agencies and policy offices of that fact.

(2) The department shall provide the senate and house appropriation subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director with the citation and a copy of any federal statute, regulation, policy, or directive that the department determines presents a conflict as described in subsection (1). The department shall apply for any available waiver or relief from federal requirements or sanctions that would allow it to comply with state law without federal penalty.

Sec. 217. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2007 shall be limited to situations in which 1 or more of the following conditions apply:

(a) The travel is required by legal mandate or court order or for law enforcement purposes.

(b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.

(c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.

(d) The travel is necessary to comply with federal requirements.

(e) The travel is necessary to secure specialized training for staff that is not available within this state.

(f) The travel is financed entirely by federal or nonstate funds.

(2) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the senate and house standing committees on appropriations.

(3) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the chairs and members of the house and senate appropriations committees, the fiscal agencies, and the state budget director. The report shall include the following information:

(a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

(d) A brief statement of the reason for each travel occurrence.

(e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

(f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 218. (1) The department shall prepare an annual report on the TANF federal block grant. The report shall include projected expenditures for the current fiscal year, an accounting of any previous year funds carried forward, and a summary of all interdepartmental or interagency agreements relating to the use of TANF funds. The report shall be forwarded to the state budget director and the house and senate appropriations subcommittees on the department budget and the house and senate fiscal agencies and policy offices within 10 days after presentation of the executive budget.

(2) The state budget director shall give prior written notice to the members of the house and senate appropriations subcommittees for the department and to the house and senate fiscal agencies and policy offices of any proposed changes in utilization or distribution of TANF funding or the distribution of TANF maintenance of effort spending relative to the amounts reflected in the annual appropriations acts of all state agencies where TANF funding is appropriated. The written notice shall be given not less than 30 days before any changes being made in the funding allocations. This prior notice requirement also applies to new plans submitted in response to federal TANF reauthorization or replacement by an equivalent federal law.

Sec. 220. (1) In contracting with faith-based organizations for mentoring or supportive services, and in all contracts for services, the department shall ensure that no funds provided directly to institutions or organizations to provide services and administer programs shall be used or expended for any sectarian activity, including sectarian worship, instruction, or proselytization.

(2) If an individual requests the service and has an objection to the religious character of the institution or organization from which the individual receives or would receive services or assistance, the department shall provide the individual within a reasonable time after the date of the objection with assistance or services and which are substantially the same as the service the individual would have received from the organization.

(3) The department shall ensure that faith-based organizations are able to apply and compete for services, programs, or contracts that they are qualified and suitable to fulfill. The department shall not disqualify faith-based organizations solely on the basis of the religious nature of their organization or their guiding principles or statements of faith.

(4) The department shall follow guidelines related to faith-based involvement established in 42 USC 604a.

Sec. 221. If the revenue collected by the department from private and local sources exceeds the amount spent from amounts appropriated in part 1, the revenue may be carried forward, with approval from the state budget director, into the subsequent fiscal year.

Sec. 223. The department shall make a determination of Medicaid eligibility not later than 60 days after all information to make the determination is received from the applicant when disability is an eligibility factor. For all other Medicaid applicants, the department shall make a determination of Medicaid eligibility not later than 45 days after all information to make the determination is received from the applicant.

Sec. 224. The department shall approve or deny a Medicaid application for a patient of a nursing home within 45 days after the receipt of the necessary information.

Sec. 225. The department shall develop a rapid redetermination process for nursing home residents whose Medicaid stay is greater than 90 days. This process shall be implemented not later than January 1, 2007.

Sec. 227. The department, with the approval of the state budget director, is authorized to realign sources of financing authorizations in order to maximize temporary assistance for needy families' maintenance of effort countable expenditures. This realignment of financing shall not be made until 15 days after notifying the chairs of the house and senate appropriations subcommittees on the department budget and house and senate fiscal agencies, and shall not produce an increase or decrease in any line-item expenditure authorization.

Sec. 259. (1) From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology-related services and projects. The user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

(2) During the annual budget presentation, the department shall report on the interagency agreement with the department of information technology to the senate and house appropriations subcommittees for the department budget, house and senate fiscal agencies, and policy offices. The report shall include the base service priorities in the agreement including, but not limited to, the following:

(a) Name and description of base service.

(b) Detail goals and objectives related to each base service.

(c) Cost of each base service.

(d) Time frame for implementation or completion of base service.

(e) Impact, if any, on caseload management by local office staff, and on service to individual or family clients in local offices.

Sec. 261. The department, in conjunction with the county department of human services boards of directors and the department of management and budget, shall continue to develop and implement a plan to restructure local offices. This plan shall include an emphasis on maximization of service while maintaining a reduction in administrative cost. Duplication of services shall be identified and solutions to remove the duplication shall be detailed in the plan. Any plan presented shall ensure that the department provides a presence and services in every county. The current plan shall be submitted to the senate and house appropriations subcommittees for the department budget by January 15, 2007. The savings resulting from this plan may be allocated to the counties generating the savings to fund additional frontline workers at the county office level and additional staff to reduce wait time for Medicaid eligibility determinations.

Sec. 262. The department, in conjunction with county department of human services boards of directors and the department of management and budget, shall continue to develop and implement a plan to assist local services delivery effectiveness and efficiency by maximizing use of state resources while responding to unique needs in geographic regions of the state. Savings resulting from the plan shall be allocated to county offices to fund additional frontline workers. The department shall submit the current consolidation plan to the house and senate appropriations subcommittees for the department budget by January 1, 2007.

Sec. 264. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 269. If title IV-D-related child support collections are escheated, the state budget director is authorized to adjust the sources of financing for the funds appropriated in part 1 for legal support contracts to reduce federal authorization by 66% of the escheated amount and increase general fund/general purpose authorization by the same amount. This budget adjustment is required to offset the loss of federal revenue due to the escheated amount being counted as title IV-D program income in accordance with federal regulations at 45 CFR 304.50.

Sec. 270. (1) The department shall continue to implement a plan to provide client-centered results-oriented programs and services for each of the following programs:

(a) Day care assistance.

(b) Family independence program.

(c) Adoption subsidy.

(d) Foster care.

(e) Juvenile justice services.

(f) Jobs, education, and training (JET) pilot program and other welfare reform activities.

(2) The plan shall include detailed information to be compiled on an annual basis by the department on the following for each program listed in subsection (1):

(a) The average cost per recipient served by the program.

(b) Measurable performance indicators for each program.

(c) Desired outcomes or results and goals for each program that can be measured on an annual basis, or desired results for a defined number of years.

(d) Monitored results for each program.

(e) Innovations for each program that may include savings or reductions in administrative costs.

(3) During the annual budget presentation, the department shall provide the senate and house appropriations subcommittees on the department budget the information listed in subsection (2).

Sec. 271. (1) The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director on the progress of child and family services reviews (CFSR). The reviews, conducted in the state by the children's bureau of the United States department of health and human services, are intended to assess the department's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115, with the ultimate goal of improving the state child welfare system and the safety, permanency, and child and family service outcomes to children and families. The report shall be submitted January 1 and July 1.

(2) The report required under subsection (1) shall include the findings and progress of all of the following:

(a) Changes made by the courts with respect to court forms and court rules to meet the statutory requirement.

(b) Department policy changes within the areas of foster care, juvenile justice, and adoption to meet the statutory requirements.

(c) Recommendations made by a workgroup composed of department and other agency stakeholders.

(d) A summary of the 7 systemic factors that determine the state's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115.

(e) A summary of the 7 data outcome indicators used to determine the state's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115, including the length of time required to achieve family reunification for foster care cases.

(f) Federal recommendations made to the state, including recommendations to the courts.

(g) Federal penalties assessed against the state for noncompliance.

(h) Status of the performance improvement plan submitted to the federal government.

Sec. 272. (1) The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director on the result of the title IV-E foster care eligibility reviews. The reviews, conducted in the state by the United States department of health and human services, are intended to assess the department's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115, ensuring the department's case files and payments records meet federal regulations, including standards on eligibility for placement reimbursement and the allowable payment rate. The report shall be submitted January 1 and July 1.

(2) The report required under subsection (1) shall include the findings and progress of all of the following:

(a) Training programs conducted by the department, the child welfare institute, the Michigan judicial institute, and any private agencies that have been authorized to provide training.

(b) Changes made by the courts on court forms and rules used in meeting the statutory requirements.

(c) Department policy changes that impact meeting the statutory requirements for foster care and adoption, including juvenile justice programs.

(d) Recommendations made by a department workgroup composed of representatives from the department and other departments and agencies.

(e) Federal recommendations submitted to the state, including recommendations to the courts.

(f) Federal penalties assessed against the state.

Sec. 273. (1) The department shall report no later than October 1, 2006 on each specific policy change made to implement enacted legislation to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services, and the senate and house fiscal agencies and policy offices.

(2) On an annual basis, the department shall provide a cumulative list of all policy changes in the following areas: child welfare services, child support, work first, work requirements, adult and child safety, local staff program responsibilities, and day care. The list shall be distributed to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees dealing with human services, and the senate and house fiscal agencies and policy offices.

(3) Not later than July 1, 2007, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director the annual regulatory plan submitted to the state office of administrative hearings and rules pursuant to section 53 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.253. The annual regulatory reform plan shall not include proposals for rule promulgation that exceed the statutory authority granted to the department.

(4) Funds for the preparation of the regulatory reform plan shall be provided solely in section 102 of the funds appropriated in part 1. Funds appropriated in part 1 shall not be used to prepare regulatory plans or promulgate rules that would exceed statutory authority granted to the department. If the department fails to provide statutory authority

and additional information for its regulatory reform plan pursuant to section 39(1) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.239, no funds shall be expended for the further preparation of that plan or the promulgation of rules in that plan.

(5) Funds appropriated in part 1 shall not be used to prepare regulatory plans or promulgate rules that fail to reduce the disproportionate economic impact on small businesses pursuant to section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(6) Funds appropriated in part 1 shall not be used to prepare regulatory plans or promulgate rules that would grant preferences to private providers of services based on whether they had collective bargaining agreements with workers.

Sec. 274. The department shall report to the house and senate appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director as part of the annual budget presentation on each federal grant this state was eligible to apply for, listing both grants applied for and not applied for. This report will cover grants exceeding $100,000.00, related to fatherhood and marriage initiatives, teen pregnancy prevention, kinship care, before- and after-school programs, family preservation and prevention, homeless prevention, and youth in transition.

Sec. 278. (1) The department shall contract with 1 or more private consulting firms for revenue maximization services for all caseload services currently provided by the department, including services expanded such as the SSI advocacy program. A contract under this section shall specify that the contractor locate waste, fraud, error, and abuse within the department's services and programs.

(2) A contractor shall not charge the department a fee for services provided under subsection (1). However, a contractor shall receive a negotiated percentage of the savings not to exceed 25% of the gross savings achieved from implementation of a recommendation made by the contractor under this section.

(3) The department shall retain up to $7,500,000.00 of savings achieved through the revenue maximization services contract as an offset to general fund/general purpose costs. Additional savings shall be allocated within the department for the following purposes:

(a) Technology programs that help maintain an effective and efficient computer system for caseworkers.

(b) Additional staff in order to reduce worker-to-case ratios.

(4) The department shall provide a report to the senate and house appropriations subcommittees on the department budget, senate and house standing committees on human services matters, senate and house fiscal agencies and policy offices, and state budget director by December 31, 2006 on the waste, fraud, error, and abuse located under subsection (1). By April 1, 2007, the department shall provide a progress report including the specific changes implemented to achieve savings under this section and the timetable for implementation of the remaining changes.

Sec. 279. All contracts relating to human services entered into or renewed by the department on or after October 1, 2006 shall be performance-based contracts that employ a client-centered results-oriented process that is based on measurable performance indicators and desired outcomes and includes the annual assessment of the quality of services provided. During the annual budget presentation, the department shall provide the senate and house appropriations subcommittees on the department budget with the measurable performance indicators, desired outcomes, and the assessment of the quality of services provided for each contract relating to human services entered into by the department during fiscal year 2006-2007.

Sec. 280. The department shall submit a report to the house and senate appropriations subcommittees for the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget director by February 1, 2007 on the status of the department's information technology improvement initiatives, including the "Bridges" integration project. The report shall include details on the following:

(a) The amounts expended during the previous fiscal year and the first quarter of the current fiscal year by project.

(b) The amounts of appropriations carried forward from previous fiscal years for information technology improvement projects.

(c) A narrative describing the projects and activities undertaken during the previous fiscal year and during the first quarter of the current fiscal year.

Sec. 281. (1) The department shall report to the legislature, fiscal agencies, and office of the auditor general quarterly, beginning January 1, 2007, with a summary of final decisions and recommendations rendered by the state office of administrative hearings and rules administrative law judges, administrative law managers, or hearing officers for cases under the jurisdiction of the department.

(2) The report shall be organized by case types.

(3) The report shall indicate whether the administrative law judge, administrative law manager, or hearing officer made a final decision or recommended a decision in favor of the department in whole or in part or if the parties negotiated a settlement. The report shall also delineate if the director agreed or disagreed with the recommendation of the administrative law judge, administrative law manager, or hearing officer.

(4) The report shall include how long each case took from the date of the original filing until the issuance of a decision or recommendation by the administrative law judge, administrative law manager, or hearing officer.

Sec. 282. (1) The negative appropriation for budgetary savings in part 1 shall be satisfied by savings identified by the department director and approved by the state budget director.

(2) Appropriation authorizations shall be adjusted after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

EXECUTIVE OPERATIONS

Sec. 301. Not later than September 30 of each year, the department shall submit for public hearing to the chairpersons of the house and senate appropriations subcommittees dealing with appropriations for the department budget the proposed use and distribution plan for community services block grant funds appropriated in part 1 for the succeeding fiscal year.

Sec. 302. The department shall develop a plan based on recommendations from the department of civil rights and from Native American organizations to assure that the community services block grant funds are equitably distributed. The plan must be developed by October 31, 2006, and the plan shall be delivered to the appropriations subcommittees on the department budget in the senate and house, the senate and house fiscal agencies, and the state budget director.

Sec. 303. (1) Of the funds appropriated in part 1 for community services block grants, $2,350,000.00 represents TANF funding earmarked for community action agencies.

(2) In addition to the money referred to in subsection (1), the department shall award up to $500,000.00 in competitive grants to organizations based on their education and outreach with the earned income tax credit (EITC). Organizations shall be given preference based on their emphasis on clients who have never filed for the EITC, clients with children, and clients for whom receipt of the EITC will make it easier for them to move off public assistance.

(3) In addition to the money referred to in subsection (1), the department shall award up to $250,000.00 in competitive grants to organizations that seek to provide programs combining education on the EITC with programs building skills for strong marriages, fatherhood, or parenting.

Sec. 304. From funds appropriated in part 1 for demonstration projects, the department shall expend up to $78,500.00 in TANF to fund a school-based crisis intervention demonstration project in Pontiac.

Sec. 305. The appropriation in part 1 for the weatherization program shall be expended so that at least 25% of the households weatherized under the program shall be households of families receiving 1 or more of the following:

(a) Family independence program assistance.

(b) State disability assistance.

(c) Food assistance.

(d) Supplemental security income.

Sec. 306. Of the funds appropriated in part 1 for demonstration projects, the department shall allocate $200,000.00 to support the kinship care resource center administered by the Michigan state university school of social work. Funding is contingent upon the center's reporting of necessary data to the department to demonstrate TANF or maintenance of effort eligibility. The center shall submit quarterly reports to the department detailing expenditures from this appropriation and reviewing program outcomes including the number of families served through counseling, respite care, and other services as well as the number provided with information on kinship care. The department shall submit each quarterly report to the house and senate appropriations subcommittees on the department budget by January 15, April 15, July 15, and October 15 of each year.

Sec. 307. (1) Of the money appropriated in part 1 for demonstration projects, $100,000.00 shall be distributed as provided in subsection (2). The amount distributed under this subsection shall not exceed 50% of the total operating expenses of the program described in subsection (2), with the remaining 50% paid by local United Way organizations and other nonprofit organizations and foundations.

(2) Money distributed under subsection (1) shall be distributed to Michigan 2-1-1, a nonprofit corporation organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code, 26 USC 501(c)(3), and whose mission is to coordinate and support a statewide 2-1-1 system. Michigan 2-1-1 shall use the money only to fulfill the Michigan 2-1-1 business plan adopted by Michigan 2-1-1 in January 2005.

(3) Michigan 2-1-1 shall report annually to the department and the house and senate standing committees with primary jurisdiction over matters relating to human services and telecommunications on 2-1-1 system performance, including, but not limited to, call volume by community health and human service needs and unmet needs identified through caller data and customer satisfaction metrics.

ADULT AND FAMILY SERVICES

Sec. 415. (1) In expending money appropriated in part 1 for the fatherhood initiative, the department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations. The independent contractors shall provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations. An independent contractor that cannot secure matching funds shall not be excluded from consideration for the fatherhood program.

(2) The department may choose providers that will work with counties to help eligible fathers under TANF guidelines to acquire skills that will enable them to increase their responsible behavior toward their children and the mothers of their children. An increase of financial support for their children should be a very high priority as well as emotional support.

(3) A fatherhood initiative program established under this section shall minimally include at least 3 of the following components: promoting responsible, caring, and effective parenting through counseling; mentoring and parental education; enhancing the abilities and commitment of unemployed or low-income fathers to provide material support for their families and to avoid or leave welfare programs by assisting them to take advantage of job search programs, job training, and education to improve their work habits and work skills; improving fathers' ability to effectively manage family business affairs by means such as education, counseling, and mentoring in household matters; infant care; effective communication and respect; anger management; children's financial support; and drug-free lifestyle.

(4) The department is authorized to make allocations of TANF funds, of not more than 20% per county, under this section only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

(5) Upon receipt of the promotion of responsible fatherhood funds from the United States department of health and human services, the department shall use the program criteria set forth in subsection (3) to implement the program with the federal funds.

Sec. 416. (1) In expending money appropriated in part 1 for the marriage initiative, the department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations. The independent contractors shall provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations. An independent contractor that cannot secure matching funds shall not be excluded from consideration for a marriage initiative program.

(2) The department may choose providers to work with counties that will work to support and strengthen marriages of those eligible under the TANF guidelines. The areas of work may include, but are not limited to, marital counseling, domestic violence counseling, family counseling, effective communication, and anger management as well as parenting skills to improve the family structure.

(3) A marriage initiative program established under this section may include, but is not limited to, 1 or more of the following: public advertising campaigns on the value of marriage and the skills needed to increase marital stability and health; education in high schools on the value of marriage, relationship skills, and budgeting; premarital, marital, family, and domestic violence counseling; effective communication; marriage mentoring programs which use married couples as role models and mentors in at-risk communities; anger management; and parenting skills to improve the family structure.

(4) The department is authorized to make allocations of TANF funds, of not more than 20% per county, under this section only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

(5) Upon receipt of the healthy marriage promotion grant from the United States department of health and human services, the department shall use the program criteria set forth in subsection (3) to implement the program with the federal funds.

Sec. 418. From the funds appropriated in part 1 for employment and training support services, the department may expand the availability of individual development accounts (IDAs) with $200,000.00 for allocation to qualified IDA programs established through the Michigan IDA partnership to serve TANF eligible households in Michigan. The Michigan IDA partnership shall encourage each TANF eligible household served to claim the federal earned income tax credit (EITC) and to incorporate all or part of any tax credit received in the household's IDA savings plan, and shall provide the household with information concerning available free tax assistance resources. In addition, the Michigan IDA partnership and its program sites shall participate in community EITC coalitions established under the plan to increase the EITC participation of TANF families referenced in section 666. The same amount shall be appropriated annually to further expand IDA opportunities to low-income families to become more financially self-sufficient through financial education, saving, wise investment in home ownership, postsecondary education, small business development, or a combination of those programs.

Sec. 419. The department in collaboration with the Michigan state university center for urban affairs and its partner organizations, the Michigan credit union league and the national federation of community development credit unions, shall further the work begun in fiscal year 1999-2000 that implemented the individual development accounts programs in the growing number of low-income designated credit unions, i.e., community development credit unions (CDCUs) located in this state's poorest communities. This further work will extend capacity-building and technical assistance services to existing and emerging CDCUs serving low-income populations and will include:

(a) Creation of a Michigan-based support system for the capacity-building of existing and emerging CDCUs serving low-income individuals and families, including development and testing of training, technical assistance, and professional development initiatives and related materials, and other capacity-building services to Michigan CDCUs.

(b) Other related support to assist existing and emerging CDCUs in becoming self-supporting institutions to assist impoverished Michigan residents in becoming economically independent.

(c) Training and technical assistance to CDCUs in the development of support services, such as economic literacy, credit counseling, budget counseling, and asset management programs for low-income individuals and families.

Sec. 420. From the funds appropriated in part 1 for employment and training support services, the department may allocate $40,000.00 in TANF for welfare to career innovation grants to replicate the Kent County model with Cascade engineering.

Sec. 421. The department shall allow private nationally accredited foster care and adoption agencies to conduct their own staff training, based on current department policies and procedures provided that the agency trainer and training materials are accredited by the department, and that the agency documents to the department that the training was provided. The department shall provide access to any training materials requested by the private agencies to facilitate this training. The intent of the legislature is to reduce training and travel costs for both the department and the private agencies.

Sec. 423. (1) From the money appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate $75,000.00 to support ongoing efforts in Barry County to provide programs to women or children, or both, facing crisis situations as a result of domestic violence or abuse.

(2) From the money appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate not less than $70,000.00 to assist this state's elderly population to participate in the food assistance program. The money may be used as state matching funds to acquire available United States department of agriculture funding to provide outreach program activities, such as eligibility screen and information services, as part of a statewide food stamp hotline.

(3) Of the funds appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate $25,000.00 for a food aid outreach project in Muskegon County and $25,000.00 for a food aid outreach project in Kent County.

(4) From the money appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate $50,000.00 for the city of Lansing and $50,000.00 for the county of Washtenaw for homeless prevention programs.

Sec. 424. Of the funds appropriated in part 1 for employment and training, $200,000.00 in TANF funds may be used for the effective family formation program by the child and family resource council in Kent County for the purpose of instructing unwed parents in developing family formation and sustaining behaviors.

CHILD AND FAMILY SERVICES

Sec. 501. The following goal is established by state law. During fiscal year 2006-2007, not more than 3,000 children supervised by the department shall remain in foster care longer than 24 months. The department shall give priority to reducing the number of children under 1 year of age in foster care. During the annual budget presentation, the department shall report on the number of children supervised by the department and by private agencies who remain in foster care between 12 and 24 months, and those who remain in foster care longer than 24 months.

Sec. 502. From the funds appropriated in part 1 for foster care, the department shall provide 50% reimbursement to Indian tribal governments for foster care expenditures for children who are under the jurisdiction of Indian tribal courts and who are not otherwise eligible for federal foster care cost sharing.

Sec. 503. The department shall continue adoption subsidy payments to families after the eighteenth birthday of an adoptee who meets the following criteria:

(a) Has not yet graduated from high school or passed a high school equivalency examination.

(b) Is making progress toward completing high school.

(c) Has not yet reached his or her nineteenth birthday.

(d) Is not eligible for federal supplemental security income (SSI) payments.

Sec. 504. The department's ability to satisfy appropriation deducts in part 1 for foster care private collections shall not be limited to collections and accruals pertaining to services provided only in the current fiscal year but shall include revenues collected during the fiscal year in excess of the amount specified in part 1.

Sec. 508. (1) In addition to the amount appropriated in part 1 for children's trust fund grants, money granted or money received as gifts or donations to the children's trust fund created by 1982 PA 249, MCL 21.171 to 21.172, is appropriated for expenditure in an amount not to exceed $800,000.00.

(2) The state child abuse and neglect prevention board may initiate a joint project with another state agency to the extent that the project supports the programmatic goals of both the state child abuse and neglect prevention board and the state agency. The department may invoice the state agency for shared costs of a joint project in an amount authorized by the state agency, and the state child abuse and neglect prevention board may receive and expend funds for shared costs of a joint project in addition to those authorized by part 1.

(3) From the funds appropriated in part 1 for the children's trust fund, the department may utilize interest and investment revenue from the current fiscal year only for programs, administration, services, or all sanctioned by the child abuse and neglect prevention board.

Sec. 509. (1) From the funds appropriated in part 1, the department shall not expend funds to preserve or reunite a family, unless there is a court order requiring the preservation or reuniting of the family or the court denies the petition, if either of the following would result:

(a) A child would be living in the same household with a parent or other adult who has been convicted of criminal sexual conduct against a child.

(b) A child would be living in the same household with a parent or other adult against whom there is a substantiated charge of sexual abuse against a child.

(2) Notwithstanding subsection (1), this section shall not prohibit counseling or other services provided by the department, if the service is not directed toward influencing the child to remain in an abusive environment, justifying the actions of the abuser, or reuniting the family.

Sec. 510. The department shall not be required to put up for bids contracts with service providers if currently only 1 provider in the service area exists.

Sec. 513. (1) The department shall not expend funds appropriated in part 1 to pay for the placement of a child in an out-of-state facility unless all of the following conditions are met:

(a) There is no appropriate placement available in this state, while an out-of-state placement does exist within 100 miles of the child's home.

(b) The out-of-state facility meets all of the licensing standards of this state for a comparable facility.

(c) The out-of-state facility meets all of the applicable licensing standards of the state in which it is located.

(d) The department has done an on-site visit to the out-of-state facility, reviewed the facility records, and reviewed licensing records and reports on the facility and believes that the facility is an appropriate placement for the child.

(2) The department shall submit a report by February 1 of each year on the number of children who were newly placed in out-of-state facilities during the previous fiscal year, the number of Michigan children residing in such facilities at the time of the report, and the total cost and average per diem cost of these out-of-state placements to the state.

Sec. 514. The department shall make a comprehensive report concerning children's protective services (CPS) to the legislature, including the senate and house policy offices and the state budget director, by January 1, 2007, that shall include all of the following:

(a) Statistical information including, at a minimum, all of the following:

(*i*) The total number of reports of abuse or neglect investigated under the child protection law, 1975 PA 238, MCL 722.621 to 722.638, and the number of cases classified under category I or category II and the number of cases classified under category III, category IV, or category V.

(*ii*) Characteristics of perpetrators of abuse or neglect and the child victims, such as age, relationship, socioeconomic status, race, and ethnicity and whether the perpetrator exposed the child victim to criminal drug activity, including the manufacture of illicit drugs, that exposed the child victim to significant health and environmental hazards.

(*iii*) The mandatory reporter category in which the individual who made the report fits, or other categorization if the individual is not within a group required to report under the child protection law, 1975 PA 238, MCL 722.621 to 722.638.

(b) New policies related to children's protective services including, but not limited to, major policy changes and court decisions affecting the children's protective services system during the immediately preceding 12-month period.

(c) The number of cases in category III closed during the time period covered by the report categorized as follows:

(*i*) Transfer to foster care.

(*ii*) Risk of further child abuse or neglect has been reduced to an acceptable level.

(*iii*) The perpetrator no longer has access to the child victim.

(*iv*) Unsatisfactory family response - referral to court not feasible.

(*v*) Child protective services not needed - family is receiving services from another program.

(*vi*) Client unavailable for services, location of client unknown.

(*vii*) Other.

(d) The department policy, or changes to the department policy, regarding termination of parental rights or foster placement for children who have been exposed to the production of illicit drugs in their dwelling place or a place frequented by the children.

(e) The department policy, or changes to the department policy, regarding children who have been exposed to the production or manufacture of methamphetamines.

Sec. 515. From the funds appropriated in part 1 for foster care payments and Wayne County foster care payments and related administrative costs, the department shall implement a performance based managed care approach to contracting for foster care services with private, nonprofit agencies. The goal of these contracts shall be to provide incentives for agencies to improve the process of placing children in permanent placements and reducing the time children spend in foster care. The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget office on this foster care permanency program and make recommendations for program expansion to all the counties of this state no later than August 30, 2007. The department shall develop these recommendations with sufficient detail that permanency programs may be implemented as soon as possible after September 30, 2007.

Sec. 517. (1) From the funds appropriated in part 1, the department is authorized to allocate funds to multipurpose collaborative bodies. Priority for activities and services will be given to at-risk children and families and cases classified by the department as category III or category IV under sections 8 and 8d of the child protection law, 1975 PA 238, MCL 722.628 and 722.628d.

(2) Funds appropriated in part 1 for zero to three may be used to fund community-based collaborative prevention services designed to do any of the following:

(a) Foster positive parenting skills especially for parents of children under 3 years of age.

(b) Improve parent/child interaction.

(c) Promote access to needed community services.

(d) Increase local capacity to serve families at risk.

(e) Improve school readiness.

(f) Support healthy family environments that discourage alcohol, tobacco, and other drug use.

(3) The appropriation provided for in subsection (2) is to fund secondary prevention programs as defined in the children's trust fund's preapplication materials for fiscal year 2006-2007 direct services grants.

(4) Projects funded through the appropriation provided for in subsection (2) shall meet all of the following criteria:

(a) Be awarded through a joint request for proposal process established by the department in conjunction with the children's trust fund and the state human services directors.

(b) Be secondary prevention initiatives. Funds are not intended to be expended in cases in which neglect or abuse has been substantiated.

(c) Demonstrate that the planned services are part of a community's integrated comprehensive family support strategy endorsed by the local multipurpose collaborative body.

(d) Provide a 25% local match of which not more than 10% is in-kind goods or services unless the maximum percentage is waived by the state human services directors.

(5) As used in this section, "state human services directors" means the director of the department of community health, the director of the department of education, and the director of the department.

Sec. 523. (1) From the funds appropriated in part 1 for youth in transition, domestic violence prevention and treatment, and teenage parent counseling, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

(2) The agencies receiving teenage parent counseling TANF funds shall report to the department on both of the following:

(a) Whether program services have impacted the following issue areas:

(*i*) The number of teen participants having fewer repeat pregnancies.

(*ii*) The completion rate for high school diplomas or GEDs.

(*iii*) The teen participants' rate of self-sufficiency.

(*iv*) The number of father participants.

(b) How many teens participate in the programs and have access to any or all of the following services:

(*i*) Adult supervised, supportive living arrangements.

(*ii*) Pregnancy prevention services or referrals.

(*iii*) Required completion of high school or receipt of GED, including child care to assist young mothers to focus on achievement.

(*iv*) Support services, including, but not limited to, health care, transportation, and counseling.

(*v*) Parenting and life-skills training.

(*vi*) Education, job training, and employment services.

(*vii*) Transition services in order to achieve self-sufficiency.

(*viii*) Instruction on self-protection.

(3) Agencies receiving teenage parent counseling funds shall provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations.

Sec. 524. The department shall report on prevention programs for which funds are appropriated in part 1 to the senate and house appropriations subcommittees on the department budget during the annual budget presentation. The report shall contain all of the following for each program:

(a) The average cost per recipient served.

(b) Measurable performance indicators.

(c) Desired outcomes or results and goals that can be measured on an annual basis, or desired results for a defined number of years.

(d) Monitored results.

(e) Innovations that may include savings or reductions in administrative costs.

Sec. 531. (1) From the funds appropriated in part 1, the department shall make claims for and pay to local units of government a portion of federal title IV-E revenues earned as a result of eligible costs incurred by local units of government.

(2) The department shall make payments under subsection (1) only to local units of government that have entered into formal agreements with the department. The agreement must include all of the following:

(a) Provide for the department to retain 50% of the federal revenues earned.

(b) Provide for department review and approval of the local unit's plan for allocating costs to title IV-E.

(c) Provide for the local unit of government to submit bills at times, and in the format, specified by the department.

(d) Specify that the local unit of government is responsible for meeting all federal title IV-E regulation requirements, including reporting requirements, with regard to the activities and costs being billed to title IV-E.

(e) Provide for the local unit of government to pay the state for the amount of any federal revenues paid to the local unit that may subsequently be disallowed by the federal government.

(f) Be signed by the director of the department, the chief executive officer of the local government agency providing the title IV-E services, the chair of the county board of commissioners, and the chief executive officer of the county.

Sec. 532. (1) The department, in collaboration with representatives of private child and family agencies, shall continue to review policies, practices, and procedures involving the annual licensing review and the annual contract compliance review conducted by the department regarding child placing agencies and child caring institutions. The review shall include efforts to identify duplication of staff activities and information sought from child placing agencies and child caring institutions in the annual review process.

(2) The department shall develop a streamlined licensing contract compliance review process where possible, including potential for utilizing deeming status for nationally accredited agencies. The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on or before January 15, 2007 on the implementation of the licensing and contract compliance review process.

Sec. 533. (1) The department shall make payments to private nonprofit child placing facilities for title IV-E out-of-home care services within 30 days of receiving all necessary documentation from those agencies.

(2) The department shall explore various types of automated payments to private nonprofit child placing facilities to improve speed and accuracy of payments.

Sec. 536. The department shall not implement a geographically based assignment system for foster care unless determined to be in the best interests of the foster children.

Sec. 537. (1) The department shall offer private nonprofit licensed agencies the first opportunity to provide foster care services for new foster children entering the system in a county when the department's direct care caseload for foster care is greater than 20 cases per foster care worker. This section only applies if the private nonprofit licensed agency has an available placement at the time the child needs to be placed, the placement is not contrary to the best interests of the child or the child's siblings, and the private nonprofit licensed agency has a direct care caseload for foster care that is no greater than 20 cases per foster care caseworker.

(2) The department, in conjunction with private child placing agencies, shall develop a methodology for measuring goals, objectives, and performance standards for the delivery of foster care and adoption services. These goals, objectives, and performance standards shall apply to both public and private delivery of child welfare services, and data shall be collected from both private and public child welfare programs that can be used to evaluate performance achievements, including, but not limited to, the following:

(a) Average caseload per foster care worker.

(b) Average cost per case to the department and any other governmental agency.

(c) Range of services provided.

(d) Program outcomes, including the average length of stay in residential treatment and foster care.

(3) The department shall submit a quarterly report to the legislature outlining the progress of the development of the goals, objectives, and performance standards, as well as the information collected through the implementation of the measurement program.

(4) The department, in collaboration with child placing agencies, shall develop a strategy for implementing the requirements of MCL 400.115o. As part of the implementation strategy, the department caseworkers responsible for the preparation of recommendations to the court for juvenile placements shall provide, as part of the placement recommendation, information regarding the requirements.

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

Sec. 544. The department shall implement pilot projects with applications pending for accelerated residential treatment.

Sec. 545. (1) The department shall continue to implement a new specialized foster care system based upon the report and recommendations required in section 545(2) of 2004 PA 344.

(2) The department shall report to the senate and house appropriations subcommittees for the department budget on the number of new specialized foster care programs required under section 545(3) of 2004 PA 344 not later than January 15, 2007. If no new specialized foster care programs have been authorized, the department shall provide an explanation, a list of all applicants who applied but were denied, and a strategic plan to provide for new specialized foster care programs.

(3) The department shall use money appropriated in part 1 for foster care payments and Wayne County foster care payments to reduce rate disparities between providers of similar services in different geographic areas and to serve as demonstration projects for further efforts in reducing these disparities in future years.

Sec. 546. Of the funds appropriated in part 1 for foster care and Wayne County foster care payments, the legislature intends the increase in funding above the appropriated amounts in fiscal year 2005-2006 to increase the general foster care daily rate to $19.40.

Sec. 548. During the annual budget presentation to the house and senate appropriations subcommittees on the department budget, the department shall report on progress in implementing the recommendations of the task force that studied the disproportionate representation of African-American and other children of color in the child welfare and juvenile justice systems as required under former section 548 of the fiscal year 2005-2006 budget act for the department.

Sec. 549. The department shall meet with personnel employed by the office of the children's ombudsman and the state court administrative office's foster care review board to investigate streamlining the oversight process for child welfare services. The intent of the legislature is to ensure appropriate and adequate oversight while reducing duplication and redundancy between government offices.

Sec. 550. (1) The department shall develop, in cooperation with the department of community health or other appropriate medical or health experts, materials for distribution to foster care parents and families on the health risks to children from use of tobacco and secondhand smoke.

(2) The department, using public and private resources, shall implement a pilot program to offer foster care parents nicotine patches or other smoking cessation products to reduce the health risk to foster children.

(3) The department shall report to the senate and house appropriations subcommittees for the department budget on the results of the pilot program implemented under subsection (2) not later than September 30, 2007.

Sec. 551. The department shall submit a report not later than September 30, 2007 to the senate and house appropriations subcommittees on the department budget that includes the number of children in foster homes where parents smoke, the subsequent health costs incurred, and what the impact would be on foster care recruitment if being a nonsmoker was a requirement for foster parenting.

Sec. 552. (1) The director of the department shall convene a task force to be known as the interdepartmental task force on services to at-risk youth transitioning to adulthood. The task force shall perform all of the following with respect to services to at-risk youth:

(a) Assess currently available services.

(b) Determine the extent of coordination and cooperation among currently available programs and services administered by the department and by other departments and agencies of this state.

(c) Identify methods to enhance coordination of current services delivery.

(d) Identify potential available public and private resources and services.

(e) Develop a plan to ensure that all current public and private resources and services are effectively organized and available.

(f) Recommend actions to enhance services.

(2) The director of the department shall seek participation on the task force created under subsection (1) from all of the following:

(a) The director of the department of community health or the director's designee.

(b) The director of the department of labor and economic growth or the director's designee.

(c) The superintendent of public instruction or the superintendent's designee.

(d) The state court administrator or his or her designee.

(e) The association for children's mental health.

(f) The children's chapter of the courts of Michigan.

(g) The Michigan probate judges association.

(h) The Michigan community mental health boards.

(i) Fight crime: invest in kids - Michigan.

(j) The Michigan association of school administrators.

(k) The Michigan association of united ways.

(*l*) The Michigan council on crime and delinquency.

(m) The Michigan federation for children and families.

(n) The Michigan network for youth and families.

(o) Michigan's children.

(p) The school-community health alliance of Michigan.

(q) The student advocacy center of Michigan.

(r) The Skillman foundation.

(s) The W.K. Kellogg foundation.

(t) The C.S. Mott foundation.

(u) The Frey foundation.

(v) The Annie E. Casey foundation.

(w) Youth and adults who are currently or were formerly served by 1 or more services provided by the department to at-risk youth.

(x) Representatives of faith-based organizations.

(3) By June 30, 2007, the task force created under subsection (1) shall report to the department. The report shall include the task force findings, assessments, plan, and recommendations under subsection (2).

(4) By September 30, 2007, the department shall provide to the senate and house of representatives standing committees with primary jurisdiction over human service matters, the senate and house of representatives appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget office the task force's report under subsection (3) and identify any actions the department has taken or intends to take as a result of the report.

Sec. 556. The department shall submit a report to the chairpersons of the senate and house of representatives appropriations committees and the senate and house fiscal agencies and policy offices that includes all of the following:

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

(b) The number of requests received by the department from adoptive parents for funds or reimbursement of costs to attend conferences that include training or discussion of significant adoption issues.

(c) The number of the requests described in subdivision (b) that were approved by the department.

(d) The number of the requests described in subdivision (b) that were denied by the department.

(e) The total amount of money expended on the requests described in subdivision (b) that were approved.

(f) The number of fair hearing requests from adoptive parents received by the department challenging the amount of the adoption subsidy.

(g) The number of challenges described in subdivision (f) alleging that a means test or similar test was used to determine the amount of the adoption subsidy.

(h) The number of challenges described in subdivision (f) alleging that an adoption subsidy amount was reduced without the consent of the adoptive parent.

(i) The number of challenges described in subdivision (f) alleging that a request for an increase in an adoption subsidy amount was denied based on a means test or similar test.

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

Sec. 559. If a conflict arises between the provisions of state law, department rules, or department policy, and the provisions of title IV-E, the provisions of title IV-E prevail.

Sec. 560. Of the amount appropriated in section 108 of part 1 for contractual services, supplies, and materials, the department shall expend $350,000.00 to equip current and new child protective services workers with digital audio/video recorders. All district offices shall have at least 1 digital audio/video recorder. All current and future child protective services workers shall be trained in the use of the digital audio/video recorders. Child protective services workers shall use digital audio/video recorders during their investigations if a public safety officer is not present. It is the intent of the legislature that the use of these recorders will safeguard the information discovered during an investigation for future use in judicial procedures, documentation of child abuse and neglect, and removal of children from a home.

Sec. 561. In making expenditures from the appropriations in part 1, the department shall give preference to children's advocacy agencies that provide a coordinated investigation and comprehensive response to child abuse when granting contracts for child abuse services. These agencies shall provide a multidisciplinary team approach for responding to child abuse allegations. The multidisciplinary team should include representation from the children's advocacy agency, law enforcement, child protective services, prosecuting attorneys, mental health agencies, medical professionals, and victim advocacy.

Sec. 562. The department shall consider allowing a county or counties to submit claims for federal title IV-E foster care funding for placements in secure residential facilities when a county or counties can demonstrate that the reason for the secure placement is a diagnosed medical necessity and not public protection.

Sec. 563. From the funds appropriated in part 1 for foster care payments and related administrative costs, the department may implement the federally approved title IV-E demonstration project waiver.

Sec. 564. Of the funds appropriated in part 1 for youth in transition, the legislature intends the increase in funding above the appropriated amounts in fiscal year 2005-2006 to increase the runaway and homeless youth providers contract rate by 3% beginning April 1, 2007.

Sec. 565. (1) From the funds appropriated in part 1 for federally-funded family preservation programs, the department shall allocate up to $2,000,000.00 to Wayne County to provide home-based programs as part of the county expansion of community-based services to serve the county's adjudicated delinquent and abused and neglected youth.

(2) One-half of the total amount allocated to Wayne County shall be used to serve adjudicated delinquent youth, and 1/2 shall be used to serve abused and neglected youth.

(3) Federal revenues shall be paid to Wayne County as reimbursement for actual costs incurred, consistent with established federal requirements.

(4) As a condition of receipt of federal funds pursuant to subsection (1), Wayne County shall provide the department with a plan for the use of allocated funds in a format to be specified by the department. The county shall also provide the department with all information required to demonstrate the appropriateness and allowability of expenditures and to meet federal financial and programmatic reporting requirements.

PUBLIC ASSISTANCE

Sec. 601. (1) The department may terminate a vendor payment for shelter upon written notice from the appropriate local unit of government that a recipient's rental unit is not in compliance with applicable local housing codes or when the landlord is delinquent on property tax payments. A landlord shall be considered to be in compliance with local housing codes when the department receives from the landlord a signed statement stating that the rental unit is in compliance with local housing codes and that statement is not contradicted by the recipient and the local housing authority. The department shall terminate vendor payments if a taxing authority notifies the department that taxes are delinquent.

(2) Whenever a client agrees to the release of his or her name and address to the local housing authority, the department shall request from the local housing authority information regarding whether the housing unit for which vendoring has been requested meets applicable local housing codes. Vendoring shall be terminated for those units that the local authority indicates in writing do not meet local housing codes until such time as the local authority indicates in writing that local housing codes have been met.

(3) In order to participate in the rent vendoring programs of the department, a landlord shall cooperate in weatherization and conservation efforts directed by the department or by an energy provider participating in an agreement with the department when the landlord's property has been identified as needing services.

Sec. 603. (1) The department, as it determines is appropriate, shall enter into agreements with energy providers by which cash assistance recipients and the energy providers agree to permit the department to make direct payments to the energy providers on behalf of the recipient. The payments may include heat and electric payment requirements from recipient grants and amounts in excess of the payment requirements.

(2) The department shall establish caps for natural gas, wood, electric heat service, deliverable fuel heat services, and for electric service based on available federal funds.

(3) The department shall review and adjust the standard utility allowance for the state food assistance program to ensure that it reflects current energy costs in the state.

Sec. 604. (1) The department shall operate a state disability assistance program. Except as provided in subsection (3), persons eligible for this program shall include needy citizens of the United States or aliens exempted from the supplemental security income citizenship requirement who are at least 18 years of age or emancipated minors meeting 1 or more of the following requirements:

(a) A recipient of supplemental security income, social security, or medical assistance due to disability or 65 years of age or older.

(b) A person with a physical or mental impairment which meets federal supplemental security income disability standards, except that the minimum duration of the disability shall be 90 days. Substance abuse alone is not defined as a basis for eligibility.

(c) A resident of an adult foster care facility, a home for the aged, a county infirmary, or a substance abuse treatment center.

(d) A person receiving 30-day postresidential substance abuse treatment.

(e) A person diagnosed as having acquired immunodeficiency syndrome.

(f) A person receiving special education services through the local intermediate school district.

(g) A caretaker of a disabled person as defined in subdivision (a), (b), (e), or (f) above.

(2) Applicants for and recipients of the state disability assistance program shall be considered needy if they:

(a) Meet the same asset test as is applied to applicants for the family independence program.

(b) Have a monthly budgetable income that is less than the payment standards.

(3) Except for a person described in subsection (1)(c) or (d), a person is not disabled for purposes of this section if his or her drug addiction or alcoholism is a contributing factor material to the determination of disability. "Material to the determination of disability" means that, if the person stopped using drugs or alcohol, his or her remaining physical or mental limitations would not be disabling. If his or her remaining physical or mental limitations would be disabling, then the drug addiction or alcoholism is not material to the determination of disability and the person may receive state disability assistance. Such a person must actively participate in a substance abuse treatment program, and the assistance must be paid to a third party or through vendor payments. For purposes of this section, substance abuse treatment includes receipt of inpatient or outpatient services or participation in alcoholics anonymous or a similar program.

(4) A refugee or asylee who loses his or her eligibility for the federal supplemental security income program by virtue of exceeding the maximum time limit for eligibility as delineated in 8 USC 1612 and who otherwise meets the eligibility criteria under this section shall be eligible to receive benefits under the state disability assistance program.

Sec. 605. The level of reimbursement provided to state disability assistance recipients in licensed adult foster care facilities shall be the same as the prevailing supplemental security income rate under the personal care category.

Sec. 606. County department offices shall require each recipient of state disability assistance who has applied with the social security administration for supplemental security income to sign a contract to repay any assistance rendered through the state disability assistance program upon receipt of retroactive supplemental security income benefits.

Sec. 607. The department's ability to satisfy appropriation deductions in part 1 for state disability assistance/ supplemental security income recoveries and public assistance recoupment revenues shall not be limited to recoveries and accruals pertaining to state disability assistance, or family independence assistance grant payments provided only in the current fiscal year, but shall include all related net recoveries received during the current fiscal year.

Sec. 608. Adult foster care facilities providing domiciliary care or personal care to residents receiving supplemental security income or homes for the aged serving residents receiving supplemental security income shall not require those residents to reimburse the home or facility for care at rates in excess of those legislatively authorized. To the extent permitted by federal law, adult foster care facilities and homes for the aged serving residents receiving supplemental security income shall not be prohibited from accepting third-party payments in addition to supplemental security income provided that the payments are not for food, clothing, shelter, or result in a reduction in the recipient's supplemental security income payment.

Sec. 609. The state supplementation level under the supplemental security income program for the personal care/adult foster care and home for the aged categories shall not be reduced during the fiscal year beginning October 1, 2006 and ending September 30, 2007. The legislature shall be notified not less than 30 days before any proposed reduction in the state supplementation level.

Sec. 610. In developing good cause criteria for the state emergency relief program, the department shall grant exemptions if the emergency resulted from unexpected expenses related to maintaining or securing employment.

Sec. 611. (1) A provider of indigent burial services may collect additional payment from relatives or other persons on behalf of the deceased if the total additional payment does not exceed $2,600.00.

(2) Any additional payment collected pursuant to subsection (1) shall not increase the maximum charge limit for state payment as established by law.

(3) A provider of indigent burial services under the indigent burial services pilot project begun in fiscal year 2005-2006 shall not request or accept payment from a relative of the deceased or from another individual, other than payment under the pilot project.

Sec. 612. For purposes of determining housing affordability eligibility for state emergency relief, a group is considered to have sufficient income to meet ongoing housing expenses if their total housing obligation does not exceed 75% of their total net income.

Sec. 613. (1) Beginning January 1, 2007, the department shall begin statewide implementation of the indigent burial services pilot project begun in fiscal year 2005-2006.

(2) If the department, in consultation with representatives of funeral establishments, determines on or before December 31, 2006 that continued implementation of the indigent burial services pilot program will lead to excessive demands upon appropriated funds for the program, the department shall notify the senate and house subcommittees with jurisdiction over the department's budget that it is suspending the program.

(3) If the program is suspended pursuant to subsection (2), the department shall immediately implement payments for services according to the payment standards used in fiscal year 2005-2006.

(4) Providers of burial services shall be responsible for expenses in excess of appropriated amounts for the period of the indigent burial services project's implementation, but the department shall not increase those expenses by untimely delays in acting upon a request from representatives of funeral establishments that the program be suspended and notice sent to the legislative subcommittees referred to in subsection (2).

Sec. 614. Until January 1, 2007, the funds available in part 1 for burial services shall be available if the deceased was an eligible recipient and an application for emergency relief funds was made within 10 days of the burial or cremation of the deceased person. Each provider of burial services shall be paid directly by the department.

Sec. 615. Except as required by federal law or regulations, funds appropriated in part 1 shall not be used to provide public assistance to a person who is an illegal alien. This section shall not prohibit the department from entering into contracts with food banks or emergency shelter providers who may, as a normal part of doing business, provide food or emergency shelter to individuals.

Sec. 617. In operating the family independence program with funds appropriated in part 1, the department shall not approve as a minor parent's adult supervised household a living arrangement in which the minor parent lives with his or her partner as the supervising adult.

Sec. 618. The department may only reduce, terminate, or suspend assistance provided under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, without prior notice in 1 or more of the following situations:

(a) The only eligible recipient has died.

(b) A recipient member of a program group or family independence assistance group has died.

(c) A recipient child is removed from his or her family home by court action.

(d) A recipient requests in writing that his or her assistance be reduced, terminated, or suspended.

(e) A recipient has been approved to receive assistance in another state.

(f) A change in either state or federal law that requires automatic grant adjustments for classes of recipients.

(g) The only eligible recipient in the household has been incarcerated.

(h) A recipient is no longer a Michigan resident.

(i) A recipient is closed on 1 case to be activated on another.

(j) Federal payments (other than RSDI, railroad retirement, or VA) to the group have begun or increased.

(k) A recipient is disqualified for intentional program violation.

(*l*) When the department's negative action is upheld in an administrative hearing.

Sec. 619. The department shall exempt from the denial of title IV-A assistance and food assistance benefits, contained in 21 USC 862a, any individual who has been convicted of a felony that included the possession, use, or distribution of a controlled substance, after August 22, 1996, provided that the individual is not in violation of his or her probation or parole requirements. Benefits shall be provided to such individuals as follows:

(a) A third-party payee or vendor shall be required for any cash benefits provided.

(b) An authorized representative shall be required for food assistance receipt.

Sec. 620. The department with the approval of the state budget director is authorized to increase federal spending authority for food assistance program benefits if projected caseload spending will exceed the spending authority in part 1. This authorization adjustment shall be made 15 days after notifying the chairs of the house and senate appropriations subcommittees on the department budget and house and senate fiscal agencies.

Sec. 621. Funds appropriated in part 1 may be used to support multicultural assimilation and support services. The department shall distribute all of the funds described in this section based on assessed community needs.

Sec. 627. (1) From the funds appropriated in part 1 for day care services, the department shall contract to administer an amount not to exceed $1,350,000.00 for the "enhance quality improvement program" (EQUIP) grants. A priority for the expenditure of EQUIP funds shall be given to providers to expand access to child care, specifically 24-hour care, care for children of parents working evening or night shifts, and weekend care. A child care program shall not be eligible for an EQUIP grant unless 25% or more of its clients receive day care payments from the department.

(2) From the funds appropriated in part 1 for day care services, the department shall establish an additional fund of at least $350,000.00 for a grant pool for an "enhance quality improvement program" (EQUIP) specifically to establish new family and group home day care providers.

Sec. 631. The department shall maintain policies and procedures to achieve all of the following:

(a) The identification of individuals on entry into the system who have a history of domestic violence, while maintaining the confidentiality of that information.

(b) Referral of persons so identified to counseling and supportive services.

(c) In accordance with a determination of good cause, the waiving of certain requirements of family independence programs where compliance with those requirements would make it more difficult for the individual to escape domestic violence or would unfairly penalize individuals who have been victims of domestic violence or who are at risk of further domestic violence.

Sec. 635. Within 24 hours of receiving all information necessary to process an application for payments for child day care, the department shall determine whether the child day care provider to whom the payments, if approved, would be made, is listed on the child abuse and neglect central registry. If the provider is listed on the central registry, the department shall immediately send written notice denying the applicant's request for child day care payments.

Sec. 640. (1) From the funds appropriated in part 1 for day care services, the department may continue to provide infant and toddler incentive payments to child day care providers serving children from 0 to 2-1/2 years of age who meet licensing or training requirements.

(2) The use of the funds under this section should not be considered an ongoing commitment of funding.

Sec. 641. In collaboration with Central Michigan University, the department shall develop and disseminate read, educate, and develop youth (R.E.A.D.Y.) kits to parents of preschool and kindergarten children to provide these parents with information about how they can prepare their children for reading success.

Sec. 643. As a condition of receipt of federal TANF funds, homeless shelters 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 shelter contracts, 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. 645. An individual or family is considered homeless, for purposes of eligibility for state emergency relief, if living temporarily with others in order to escape domestic violence. For purposes of this section, domestic violence is defined and verified in the same manner as in the department's policies on good cause for not cooperating with child support and paternity requirements.

Sec. 653. From the funds appropriated in part 1 for food assistance, an individual who is the victim of domestic violence and does not qualify for any other exemption may be exempt from the 3-month in 36-month limit on receiving food assistance under 7 USC 2015. This exemption can be extended an additional 3 months upon demonstration of continuing need.

Sec. 657. (1) The department shall fund a statewide before- or after-school program to provide youth with a safe, engaging environment to motivate and inspire learning outside the traditional classroom setting. Before- or after-school program eligibility is limited to geographic areas near school buildings that do not meet federal no child left behind annual yearly progress (AYP) requirements and that include the before- or after-school programs in the AYP plans as a means to improve outcomes. Before-school programs are limited to elementary school-aged children. Effective before- or after-school programs combine academic, enrichment, and recreation activities to guide learning and inspire children and youth in various activities. The before- or after-school programs can meet the needs of the communities served by the programs.

(2) The department shall work in collaboration with independent contractors to put into practice a program establishing quality before- or after-school programs for children in kindergarten to ninth grades. In order for an independent contractor to receive TANF funds, a child served must be a member of a family with an income that does not exceed 200% of the federal poverty guidelines published by the United States department of health and human services.

(3) The department shall, through a competitive bid process, provide grants or contracts up to $5,000,000.00 in TANF funds for the program based on community needs. A county shall receive no more than 20% of the funds appropriated in part 1 for this program. From the funds appropriated in part 1 for before- or after-school programs within day care services, the department is authorized to make allocations of funds only to the agencies that report necessary data to the department for the purpose of meeting TANF and maintenance of effort eligibility reporting requirements. The use of funds under this section should not be considered an ongoing commitment of funding.

(4) The before- or after-school programs shall include academic assistance, including assistance with reading and writing, and at least 3 of the following topics:

(a) Abstinence-based pregnancy prevention.

(b) Chemical abuse and dependency including nonmedical services.

(c) Gang violence prevention.

(d) Preparation toward future self-sufficiency.

(e) Leadership development.

(f) Case management or mentoring.

(g) Parental involvement.

(h) Anger management.

(5) The department may enter into grants or contracts with independent contractors including, but not limited to, faith-based organizations, boys or girls clubs, schools, or nonprofit organizations. The department shall grant priority in funding independent contractors who secure at least 25% in matching funds. The matching funds may either be fulfilled through local, state, or federal funds, and/or through in-kind or other donations.

(6) A referral to a program may be made by, but is not limited to, any of the following: a teacher, counselor, parent, police officer, judge, or social worker.

(7) By January 30, 2007, the department before- or after-school program expenditures shall be audited and the department shall work in collaboration with independent contractors to provide a report on the before- or after-school program to the senate and house standing committees dealing with human services, the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies, and the senate and house policy offices. The report shall include the number of participants and the average cost per participant, as well as changes noted in program participants in any of the following categories:

(a) Juvenile crime.

(b) Aggressive behavior.

(c) Academic achievement.

(d) Development of new skills and interests.

(e) School attendance and dropout rates.

(f) Behavioral changes in school.

Sec. 658. From the funds appropriated in part 1 for day care services, $126,500.00 in TANF funds shall be allocated to Grand Rapids youth commonwealth to support after-school and summer programs at camp O'Malley. As a condition for receiving funds, Grand Rapids youth commonwealth shall comply with all policies and reporting requirements placed on recipients of before- and after-school grants awarded under section 657.

Sec. 660. From the funds appropriated in part 1 for food bank funding, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The agencies that do not report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements will not receive allocations in excess of those received in fiscal year 2000. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Sec. 665. The department shall partner with the department of transportation and may partner with other entities to use TANF and other sources of available funding to support public transportation needs of TANF-eligible individuals. This partnership shall place a priority on transportation needs for employment or seeking employment or medical or health-related transportation.

Sec. 666. The department shall continue efforts to increase the participation of eligible family independence program recipients in the federal earned income tax credit.

Sec. 668. (1) In coordination with the Michigan alliance of boys and girls clubs, the department shall expend $250,000.00 to make allocations for a statewide collaborative project to develop a community-based program available to children ages 6 to 15.

(2) The department shall make allocations of TANF funds under this section only to agencies that report necessary data to the department for the purpose of meeting the TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment.

(3) The department shall grant priority in funding to programs that provide at least 10% in matching funds. The matching funds requirement shall be fulfilled through any combination of local, state, or federal funds or in-kind or other donations. A program that cannot meet the matching requirement shall not be excluded from applying for a contract.

Sec. 669. (1) The department shall distribute cash and food assistance to recipients electronically by using debit cards.

(2) The department shall allocate up to $7,167,500.00 for the annual clothing allowance. The allowance shall be granted to all eligible children as defined by the department.

Sec. 670. The funds appropriated in part 1 for kinship care in the fiscal year ending September 30, 2007 reflect the legislature's commitment to reduce the benefit discrepancy between kinship care and a similar family size within the family independence agency program (FIP). The legislature recognizes the commitment of relatives to provide family continuity, nurturance, and care for this special population of children who can no longer remain in their parents' care due to abuse, neglect, or other social problems.

Sec. 673. The department shall immediately send notification to a client participating in the state child day care program and his or her child day care provider if the client's eligibility is reduced or eliminated.

Sec. 674. The department shall develop and implement a plan to reduce waste, fraud, and abuse within the child day care program, including feasibility for expanding wage match and employer verification, unannounced home call verification at day care sites, compliance with recommendations of the auditor general in the May 2005 performance audit of the child day care and child welfare licensing divisions, and other process changes. Beginning December 31, 2006, the department shall report annually to the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on plan details and implementation status, including, at least, the following measurable performance indicators:

(a) The success or failure of the expansion of wage match and employer verification.

(b) The success or failure of unannounced home call verification at day care sites.

(c) The success or failure of complying with the recommendations of the auditor general in the May 2005 performance audit of the child day care and child welfare licensing divisions.

(d) The amount of money recovered as a result of the plan for the preceding fiscal year.

(e) The amount of money saved as a result of the plan for the preceding fiscal year.

(f) The number of day care case closures as a result of the plan.

(g) The number of criminal convictions as a result of the plan.

(h) Any policy changes related to the plan.

Sec. 675. (1) The department shall continue to explore policy options and the potential costs of implementing a child day care rate structure that more accurately reflects the market cost and availability of care by vicinity.

(2) The department shall work with family independence program recipients, employers, and day care or kinship providers to identify barriers to day care services for custodial parents working nontraditional work schedules or engaged in education and training programs with nontraditional times and shall report recommendations to the legislature during the annual budget presentation to the senate and house subcommittees with jurisdiction over the department's budget. These recommendations shall include measures to increase awareness and access to day care for those recipients.

Sec. 676. (1) The department shall collaborate with the state board of education to extend the duration of the Michigan after-school partnership and oversee its efforts to implement the policy recommendations and strategic next steps identified in the Michigan after-school initiative's report of December 15, 2003.

(2) From the funds appropriated in part 1, $25,000.00 may be used to support the Michigan after-school partnership and shall be used to leverage other private and public funding to engage the public and private sectors in building and sustaining high-quality out-of-school-time programs and resources. The co-chairs shall name a fiduciary agent and may authorize the fiduciary to expend funds and hire people to accomplish the work of the Michigan after-school partnership.

(3) Each year, on or before December 31, the Michigan after-school partnership shall report its progress in reaching the recommendations set forth in the Michigan after-school initiative's report to the senate and house committees on appropriations, the senate and house fiscal agencies and policy offices, and the state budget director.

Sec. 677. The department shall establish a state goal for the percentage of family independence program (FIP) cases involved in employment activities. The percentage established shall not be less than 50%. On a monthly basis, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on the current percentage of FIP cases involved in employment activities and the current percentage of JET pilot program cases involved in employment activities. If the FIP case percentage is below the goal for more than 2 consecutive quarters, the department shall develop a plan to increase the percentage of FIP cases involved in employment-related activities. The department shall deliver the plan during the next annual budget presentation to the senate and house appropriations subcommittees on the department budget.

Sec. 678. (1) The department shall provide the house and senate appropriations subcommittees on the department budget with an annual report on the activities of the early childhood investment corporation (ECIC). The report is due by February 1 of each year and shall contain at least the following information:

(a) Expenditures for the prior fiscal year and planned expenditures for the current fiscal year for ECIC administration and for each program administered by the ECIC.

(b) The projected funding sources for the ECIC expenditures in subdivision (a).

(c) A list of all new and ongoing contracts for ECIC programs.

(2) All contracts shall be bid out through a statewide request-for-proposal process, and the department shall send a report to the house and senate appropriations subcommittees on the department budget covering the selection criteria for establishing contracts at least 30 days before the issuance of any request for proposals.

Sec. 681. By December 1, 2006, the department shall implement policy changes in the distribution of food assistance program benefits to address concerns expressed by grocers, food providers, and the Michigan food policy council. The distribution change shall seek to achieve a more uniform flow of food assistance expenditures in any given month and also consider the needs of recipients. A report on the implemented policy changes shall be provided to the house and senate appropriations committees, the house and senate fiscal agencies, and the house and senate policy offices by December 1, 2006.

JUVENILE JUSTICE SERVICES

Sec. 702. Expansion of facilities funded under part 1 for juvenile justice services shall not be authorized by the joint capital outlay subcommittee of the appropriations committees until the department has held a public hearing in the community where the facility proposed to be expanded is located.

Sec. 705. (1) The department, in conjunction with private juvenile justice residential programs, shall develop a methodology for measuring goals, objectives, and performance standards for the delivery of juvenile justice residential programs based on national standards and best practices. These goals, objectives, and performance standards shall apply to both public and private delivery of juvenile justice residential programs, and data shall be collected from both private and public juvenile justice residential programs that can be used to evaluate performance achievements, including, but not limited to, the following:

(a) Admission and release data and other information related to demographics of population served.

(b) Program descriptions and information related to treatment, educational services, and conditions of confinement.

(c) Program outcomes including recidivism rates for youth served by the facility.

(2) The department during the annual budget presentation shall outline the progress of the development of the goals, objectives, and performance standards, as well as the information collected through the implementation of the performance measurement program. The presentation shall include all of the following:

(a) Trends in census and population demographics.

(b) Program outcomes.

(c) Staff and resident safety.

(d) Facility profile.

(e) Fiscal information necessary for qualitative understanding of program operations and comparative costs of public and private facilities.

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

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

Sec. 708. As a condition of receiving funds appropriated in part 1 for the child care fund, by February 15, 2007, counties shall have an approved service spending plan for the fiscal year ending September 30, 2007. Counties must submit the service spending plan to the department by December 15, 2006 for approval.

Sec. 714. (1) The department shall provide technical assistance for counties to develop information networks including, but not limited to, serious habitual offenders comprehensive action program (SHOCAP), juvenile justice on-line technology (JJOLT), and juvenile violent reporting system (JVRS).

(2) The department shall assist counties in identifying funding sources for the networks, including, but not limited to, the child care fund and the juvenile accountability incentive block grant.

(3) The local units of government shall report to the department on expenditures of their juvenile justice information networks in concert with their requests for reimbursement from the child care fund.

(4) The department shall report to the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget director by January 15, 2007 on department efforts to encourage county information networks development described in subsection (1).

Sec. 715. (1) It is the intent of the legislature that the primary function of the juvenile justice system shall be to promote the protection of individuals and communities through the reduction of juvenile crime.

(2) The department shall report to the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget director by October 30, 2006 on the status of implementing recommendations of the 2001 joint house and senate task force on juvenile justice, including, but not limited to, the following:

(a) Mentoring programs that focus on improving communication and collaboration, encourage quality mentoring programs, recruitment of mentors, and increasing public awareness of and participation in programs for at-risk youth.

(b) Discussion of programs relating to juvenile information networks as an Internet-based communication tool that assists with case management of juvenile offenders in the area.

(c) Discussion of the possibility of implementing a program modeled after the "Wisconsin citizenship initiative" to collaborate with the before- or after-school programs offered under the authority of this article.

(d) Exploration of the option of a summit conducted via the Internet to discuss measures relating to the prevention and intervention of at-risk youth.

(e) Discussion of California's "8% early intervention" program that focuses on aggressive early intervention and treatment of young, high at-risk juvenile offenders and their families.

(f) Multisystem therapy.

(g) Youth service projects.

(h) Community services projects.

Sec. 719. The department shall notify the legislature at least 30 days before closing or making any change in the status of a state juvenile justice facility.

Sec. 720. (1) The goal of high security juvenile services funded in part 1 shall be to protect the general public from dangerous juvenile offenders while providing rehabilitation services to those offenders to safely prepare them for entry into society.

(2) The department shall take into consideration the recommendations on a methodology for measuring goals, objectives, and performance standards developed in conjunction with private providers of juvenile justice residential programs required in section 705 of 2004 PA 344.

(3) The department shall allocate money to public and private providers of high security juvenile services based on their ability to demonstrate results in all of the following:

(a) Lower recidivism rates.

(b) Higher school completion rates or GED completion rates.

(c) Shorter average stays in a residential facility.

(d) Lower average cost per resident.

(e) Availability of appropriate services to residents.

(4) The department shall comply with section 115o of the social welfare act, 1939 PA 280, MCL 400.115o, regarding placement of juvenile offenders, and shall refer to that statutory requirement in making referral recommendations to courts for secure residential programs.

(5) The department shall require, if possible and practical, that aftercare services for a juvenile offender be provided by the same organization or provider that provided residential care for that juvenile.

Sec. 721. (1) The goal of medium or low security juvenile services shall be effective treatment of juvenile offenders to safely prepare them for entry into society.

(2) The department shall allocate money to public and private providers of medium or low security juvenile services based on their ability to demonstrate results in all of the following:

(a) Reduced rates of recidivism.

(b) Higher rates of high school or GED completion.

(c) Shorter average stays in a residential facility.

(d) Availability of appropriate services to residents.

(3) The department shall comply with section 115o of the social welfare act, 1939 PA 280, MCL 400.115o, regarding the placement of juvenile offenders, and shall refer to that statutory requirement in making referral recommendations to courts for residential treatment programs.

(4) The department shall require, if possible and practical, that aftercare services for a juvenile offender be provided by the same program or provider that provided treatment for the juvenile in residential care.

Sec. 722. (1) The goal of community juvenile justice centers shall be the effective treatment and rehabilitation of juvenile offenders in appropriate community settings.

(2) The department shall allocate money to public and private providers of juvenile justice day programs based on their ability to demonstrate results in all of the following:

(a) Reduced rates of recidivism.

(b) Higher rates of high school or GED completion.

(c) Availability of appropriate services to offenders.

Sec. 723. A 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 separate residents of each security level.

LOCAL OFFICE SERVICES

Sec. 750. The department shall maintain out-stationed eligibility specialists in community-based organizations and hospitals in the same locations as in fiscal year 2003-2004.

Sec. 751. (1) From the funds appropriated in part 1, the department shall implement school-based family resource centers based on the following guidelines:

(a) The center is supported by the local school district.

(b) The programs and information provided at the center do not conflict with sections 1169, 1507, and 1507b of the revised school code, 1976 PA 451, MCL 380.1169, 380.1507, and 380.1507b.

(c) Notwithstanding subdivision (b), the center shall provide information regarding crisis pregnancy centers or adoption service providers in the area.

(2) The department shall notify the senate and house subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget office of family resource center expansion efforts and shall provide all of the following at the beginning of the selection process or no later than 5 days after eligible schools receive opportunity notification:

(a) A list of eligible schools.

(b) The selection criteria to be used.

(c) The projected number to be opened.

(d) The financial implications for expansion, including funding sources.

Sec. 753. The department shall implement the recommendations of the 2004 public private partnership initiative's training committee to define, design, and implement a train-the-trainer program to certify private agency staff to deliver child welfare staff training, explore the use of e-learning technologies, and include consumers in the design and implementation of training. The intent of the legislature is to reduce training and travel costs for both the department and the private agencies. The department shall report no later than December 1, 2006 on each specific policy change made to implement enacted legislation and the plans to implement the recommendations, including time lines, to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services matters, the senate and house fiscal agencies and policy offices, and the state budget director.

DISABILITY DETERMINATION SERVICES

Sec. 801. The department disability determination services in agreement with the department of management and budget office of retirement systems will develop the medical information and make recommendations for medical disability retirement for state employees, state police, judges, and school teachers.

CHILD SUPPORT ENFORCEMENT

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

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

(3) From the federal money received for child support incentive payments, $14,500,000.00 shall be paid to the counties based on each county's performance level for each of the federal performance measures as established in the code of federal regulations, CFR 45.305.2.

(4) If the child support incentive payment to the state from the federal government is greater than $26,500,000.00, then 100% of the excess shall be retained by the state and is appropriated until the total retained by the state reaches $15,397,400.00.

(5) If the child support incentive payment to the state from the federal government is greater than the amount needed to satisfy the provisions identified in subsections (1), (2), (3), and (4), the additional funds shall be subject to appropriation by the legislature.

(6) If the child support incentive payment to the state from the federal government is less than $26,500,000.00, then the state and county share shall each be reduced by 50% of the shortfall.

Sec. 902. (1) The department shall continue its work to fix and improve the child support computer system using the funding carried forward from fiscal year 2005-2006 appropriations.

(2) The department shall consult with the department of treasury and any outside consultant with collections expertise under contract with the department of treasury to develop a plan to maximize the collection of child support and child support arrearage settlement for the purposes of this section.

(3) The department, through the child support leadership group, shall provide quarterly reports to the legislature concerning money expended and improvements made as a result of this section.

Sec. 903. The department may facilitate with the department of community health a program under which the departments independently or jointly contract with local friend of the court offices to update and maintain the child support statewide database with health insurance information in cases in which the court has ordered a party to the case to maintain health insurance coverage for the minor child or children involved in the case and to assist in the recovery of money paid by the state for health care costs that are otherwise recoverable from a party to the case. The program shall be in addition to a program or programs under existing contract between either or both of the departments with a private entity on September 1, 2005. The program shall be entirely funded with state and federal funds from money first recovered or through costs that are avoided by charging the insurance coverage for minor children from state programs to private insurance.

Sec. 904. The department is prohibited from charging back to the counties any of the fees paid that are charged by the internal revenue service or the department of treasury related to the tax intercept and offset programs. The state share of those fees shall be paid from money otherwise provided for office of child support programs.

Sec. 905. Of the funds appropriated in part 1 for child support collections, $1,000,000.00 shall be allocated to counties for the local match for friend of the court services legal support contracts and to payments to county prosecutors for related legal services.

Sec. 906. From the funds appropriated in part 1 for legal support contracts, $1,000,000.00 shall be allocated and paid pursuant to section 18a of the social welfare act, 1939 PA 280, MCL 400.18a.

Sec. 907. The office of child support in cooperation with the state court administrative office shall establish a pilot program to examine the effectiveness of contracting with a public or private collection agency as authorized under section 10 of the office of child support act, 1971 PA 174, MCL 400.240. The pilot program shall be implemented during fiscal year 2006-2007. Any restricted revenue collected pursuant to this section shall not be expended until the department and representatives from counties and the friends of the court meet and agree upon recommendations for use of the revenue. The revenue is subject to appropriation by the legislature.

OFFICE OF CHILDREN AND ADULT LICENSING

Sec. 1001. The department shall assess fees in the licensing and regulation of child care organizations as defined in 1973 PA 116, MCL 722.111 to 722.128, and adult foster care facilities as defined in the adult foster care facility licensing act, 1979 PA 218, MCL 400.701 to 400.737. Fees collected by the department shall be used exclusively for the purpose of licensing and regulating child care organizations and adult foster care facilities.

Sec. 1002. The department shall furnish the clerk of the house, the secretary of the senate, the senate and house fiscal agencies and policy offices, the state budget office, and all members of the house and senate appropriations committees with a summary of any evaluation reports and subsequent approvals or disapprovals of juvenile residential facilities operated by the department, as required by section 6 of 1973 PA 116, MCL 722.116. If no evaluations are conducted during the fiscal year, the department shall notify the fiscal agencies and all members of the appropriate subcommittees of the house and senate appropriations committees.

Sec. 1003. If federal funds become available to support a lead testing program, the department shall, before issuing a license for a day care facility and as part of licensing review and facility inspection, require documentation verifying that the facility has been inspected for lead hazards and that any lead hazards identified have been remediated.

Sec. 1004. From the funds appropriated in part 1 for AFC, children's welfare, and day care licensure, $358,800.00 shall be used to hire 5 additional licensing investigators. At least 50% of the investigators hired shall specifically investigate those allegations classified by the department as high risk. An investigation would be in the high risk category if it involves the following: death or serious injury; alleged physical, sexual, or emotional abuse, neglect, endangerment, or exploitation; or any situation that threatens the life of a child in care.

Sec. 1005. The department shall develop a plan for a performance-based licensing system. The plan shall include an approach that emphasizes site visits for new licensees and licensees with violations or filed complaints and random, but not required, site visits for licensees who have been in business for 5 years or more with no violations or filed complaints. The plan shall direct the licensing staff and field consultants to prioritize resources and site reviews on new licensees and those with documented complaints. The plan activities shall also be based on risk to the vulnerable children

and adults receiving services from licensees. The plan shall include an implementation date for fiscal year 2006-2007 and be submitted, by January 31, 2007, to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director.

ARTICLE 11

JUDICIARY

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the judicial branch for the fiscal year ending September 30, 2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

JUDICIARY

APPROPRIATION SUMMARY:		
Full-time equated exempted positions	509.0	
GROSS APPROPRIATION	$	259,428,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		2,563,500
ADJUSTED GROSS APPROPRIATION	$	256,864,600
Federal revenues:		
Total federal revenues		4,626,400
Special revenue funds:		
Total local revenues		3,612,400
Total private revenues		842,500
Total other state restricted revenues		87,178,500
State general fund/general purpose	$	160,604,800
Sec. 102. SUPREME COURT (SAFETY)		
Full-time equated exempted positions	235.0	
Supreme court administration—97.0 FTE positions	$	11,361,800
Judicial institute—16.0 FTE positions		2,756,500
State court administrative office—62.0 FTE positions		10,562,100
Judicial information systems—18.0 FTE positions		3,291,100
Direct trial court automation support—26.0 FTE positions		3,612,400
Foster care review board—12.0 FTE positions		1,277,800
Community dispute resolution—4.0 FTE positions		2,277,300
Other federal grants		275,000
Drug treatment courts		4,729,000
GROSS APPROPRIATION	$	40,143,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of community health		1,800,000
IDG from department of labor and economic growth		40,000
IDG from state police - Michigan justice training fund		300,000
Federal revenues:		
DOJ, victims assistance programs		50,000
DOJ, drug court training and evaluation		300,000
DOT, national highway traffic safety administration		800,000
HHS, access and visitation grant		387,000
HHS, children's justice grant		206,300
HHS, court improvement project		1,160,000
HHS, title IV-D child support program		907,700
HHS, title IV-E foster care program		540,400
Other federal grant revenues		275,000
Special revenue funds:		
Local - user fees		3,612,400
Private		169,000
Private - interest on lawyers trust accounts		232,700
Private - state justice institute		370,800
Community dispute resolution fund		2,277,300
Law exam fees		482,100
Drug court fund		1,920,500

		For Fiscal Year Ending Sept. 30, 2007
Miscellaneous revenue		227,900
Justice system fund		700,000
State court fund		339,000
State general fund/general purpose	$	23,044,900
Sec. 103. COURT OF APPEALS (SAFETY)		
Full-time equated exempted positions....212.0		
Court of appeals operations—212.0 FTE positions	$	19,615,700
GROSS APPROPRIATION	$	19,615,700
Appropriated from:		
Special revenue funds:		
Court filing/motion fees		1,958,500
Miscellaneous revenue		77,800
State general fund/general purpose	$	17,579,400
Sec. 104. BRANCHWIDE APPROPRIATIONS (SAFETY)		
Full-time equated exempted positions....4.0		
Branchwide appropriations—4.0 FTE positions	$	8,200,000
GROSS APPROPRIATION	$	8,200,000
Appropriated from:		
State general fund/general purpose	$	8,200,000
Sec. 105. JUSTICES' AND JUDGES' COMPENSATION (SAFETY)		
Full-time judges positions....617.0		
Supreme court justices' salaries—7.0 judges	$	1,152,300
Court of appeals judges' salaries—28.0 judges		4,240,300
District court judges' state base salaries—258.0 judges		23,877,200
District court judicial salary standardization		11,796,800
Probate court judges' state base salaries—103.0 judges		9,498,100
Probate court judicial salary standardization		4,599,700
Circuit court judges' state base salaries—221.0 judges		20,723,000
Circuit court judicial salary standardization		10,059,300
Judges' retirement system defined contributions		3,094,600
OASI, social security		4,978,900
GROSS APPROPRIATION	$	94,020,200
Appropriated from:		
Special revenue funds:		
Court fee fund		7,090,200
State general fund/general purpose	$	86,930,000
Sec. 106. JUDICIAL AGENCIES (SAFETY)		
Full-time equated exempted positions....8.0		
Judicial tenure commission—8.0 FTE positions	$	1,023,500
GROSS APPROPRIATION	$	1,023,500
Appropriated from:		
State general fund/general purpose	$	1,023,500
Sec. 107. INDIGENT DEFENSE - CRIMINAL (SAFETY)		
Full-time equated exempted positions....50.0		
Appellate public defender program—42.0 FTE positions	$	4,903,500
Appellate assigned counsel administration—8.0 FTE positions		894,200
GROSS APPROPRIATION	$	5,797,700
Appropriated from:		
Interdepartmental grant revenues:		
IDG from state police - Michigan justice training fund		423,500
Special revenue funds:		
Private - interest on lawyers trust accounts		70,000
Miscellaneous revenue		113,100
State general fund/general purpose	$	5,191,100
Sec. 108. INDIGENT CIVIL LEGAL ASSISTANCE (SAFETY)		
Indigent civil legal assistance	$	7,937,000
GROSS APPROPRIATION	$	7,937,000

		For Fiscal Year Ending Sept. 30, 2007
Appropriated from:		
Special revenue funds:		
State court fund		7,937,000
State general fund/general purpose	$	0
Sec. 109. TRIAL COURT OPERATIONS (SAFETY)		
Court equity fund reimbursements	$	69,075,900
Judicial technology improvement		4,465,000
GROSS APPROPRIATION	$	73,540,900
Appropriated from:		
Special revenue funds:		
Court equity fund		50,440,000
Judicial technology improvement fund		4,465,000
State general fund/general purpose	$	18,635,900
Sec. 110. GRANTS AND REIMBURSEMENTS TO LOCAL GOVERNMENT (SAFETY)		
Drug case-flow program	$	250,000
Drunk driving case-flow program		2,300,000
Juror compensation reimbursement		6,600,000
Transcript fee reimbursement		100
GROSS APPROPRIATION	$	9,150,100
Appropriated from:		
Special revenue funds:		
Drug fund		250,000
Drunk driving fund		2,300,000
Juror compensation fund		6,600,000
Transcript fee fund		100
State general fund/general purpose	$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is $247,783,300.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is estimated at $124,419,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

JUDICIARY		
SUPREME COURT		
State court administrative office	$	511,900
Drug treatment courts		4,429,000
TRIAL COURT OPERATIONS		
Court equity fund reimbursements	$	69,075,900
Judicial technology improvement fund		4,465,000
JUSTICES' AND JUDGES' COMPENSATION		
District court judicial salary standardization	$	11,796,800
Probate court judges' state base salaries		9,498,100
Probate court judicial salary standardization		4,599,700
Circuit court judicial salary standardization		10,059,300
Grant to OASI contribution fund, employers share, social security		833,200
GRANTS AND REIMBURSEMENTS TO LOCAL GOVERNMENT		
Drunk driving case-flow program	$	2,300,000
Drug case-flow program		250,000
Juror compensation reimbursement		6,600,000
Transcript fee reimbursement		100
TOTAL	$	124,419,000

Sec. 202. (1) The appropriations authorized under this article are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(2) Funds appropriated in part 1 to an entity within the judicial branch shall not be expended or transferred to another account without written approval of the authorized agent of the judicial entity. If the authorized agent of the judicial

entity notifies the state budget director of its approval of an expenditure or transfer, the state budget director shall immediately make the expenditure or transfer. The authorized judicial entity agent shall be designated by the chief justice of the supreme court.

Sec. 203. As used in this article:

(a) "DOJ" means the United States department of justice.

(b) "DOT" means the United States department of transportation.

(c) "FTE" means full-time equated.

(d) "HHS" means the United States department of health and human services.

(e) "IDG" means interdepartmental grant.

(f) "OASI" means old age survivor's insurance.

Sec. 204. The judicial branch shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 208. The reporting requirements of this article shall be completed with the approval of, and at the direction of, the supreme court. Unless otherwise specified, the judicial branch shall use the Internet to fulfill the reporting requirements of this article. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

Sec. 212. As a condition of expending appropriations made under part 1, the judicial branch shall receive and retain copies of all reports funded from appropriations in part 1 and shall follow federal and state guidelines for short-term and long-term retention of such reports and records.

Sec. 214. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality.

Sec. 215. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2007 shall be limited to situations in which 1 or more of the following conditions apply:

(a) The travel is required by legal mandate or court order or for law enforcement purposes.

(b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.

(c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.

(d) The travel is necessary to comply with federal requirements.

(e) The travel is necessary to secure specialized training for staff that is not available within this state.

(f) The travel is financed entirely by federal or nonstate funds.

(2) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the chief justice or his or her designee may grant an exception to allow the travel. Any exceptions granted by the chief justice or his or her designee shall be reported on a monthly basis to the house and senate appropriations committees.

(3) Not later than January 1 of each year, the state court administrative office shall prepare a travel report listing all travel by judicial branch employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the budget for the judicial branch. The report shall be submitted to the chairs and members of the house and senate appropriations committees, the fiscal agencies, and the state budget director. The report shall include the following information:

(a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

(d) A brief statement of the reason for each travel occurrence.

(e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

(f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

JUDICIAL BRANCH

Sec. 301. (1) The direct trial court automation support program of the state court administrative office shall recover direct and overhead costs from trial courts by charging for services rendered. The fee shall cover the actual costs incurred to the direct trial court automation support program in providing the service, including development of future versions of case management systems. A report of amounts collected in excess of funds identified as user service charges in part 1 shall be submitted to the state budget director and to the house and senate appropriations subcommittees on judiciary 30 days before expenditure by the direct trial court automation support program.

(2) From funds appropriated in part 1, the direct trial court automation support program of the state court administrative office shall provide to the state budget director, the senate and house appropriations committees, and

the senate and house fiscal agencies before January 1 of each year, a detailed list of user service charges collected during the immediately preceding state fiscal year.

Sec. 302. Funds appropriated within the judicial branch shall not be expended by any component within the judicial branch without the approval of the supreme court.

Sec. 303. Of the amount appropriated in part 1 for the judicial branch, $325,000.00 is allocated for circuit court reimbursement under section 3 of 1978 PA 16, MCL 800.453, and $186,900.00 is allocated for court of claims reimbursement under section 6413 of the revised judicature act of 1961, 1961 PA 236, MCL 600.6413.

Sec. 304. As a condition of expending appropriations made under part 1, the judicial branch shall cooperate with the auditor general regarding audits of the judicial branch conducted under section 53 of article IV of the state constitution of 1963.

Sec. 305. As a condition of expending appropriations made under part 1, and to avoid the overexpenditure of funds appropriated under this article, the supreme court shall report quarterly to members of the senate and house appropriations subcommittees on the judiciary, the senate and house fiscal agencies, and the state budget director on the status of accounts set forth in part 1. The report required by this section shall include quarterly, year-to-date, and projected expenditures by funding source for each line item, and beginning balances and quarterly, year-to-date, and projected revenues for each source of revenue other than general fund/general purpose revenues.

Sec. 306. The supreme court and the state court administrative office shall continue to maintain, as a priority, the assisting of local trial courts in improving the collection of judgments.

Sec. 307. It is the intent of the legislature that from the funds appropriated in part 1 for court of appeals operations, the judiciary shall use the following revenue amounts for the purpose of delay reduction:

(a) $225,000.00 of additional filing fee revenue raised from the increase from $250.00 to $375.00 in court of appeals filing fees under section 321(1)(a) of the revised judicature act of 1961, 1961 PA 236, MCL 600.321.

(b) $87,500.00 of additional fee revenue raised from the increase in court of appeals motion fees from $75.00 to $100.00 and from the increase from $150.00 to $200.00 in fees for motions for immediate consideration or expedited appeal under section 321(1)(b) and (c) of the revised judicature act of 1961, 1961 PA 236, MCL 600.321.

Sec. 308. If sufficient funds are not available from the court fee fund to pay judges' compensation, the difference between the appropriated amount from that fund for judges' compensation and the actual amount available after the amount appropriated for trial court reimbursement is made shall be appropriated from the state general fund for judges' compensation.

Sec. 310. From the funds appropriated in part 1 for drug treatment court programs, under the direction of the supreme court, the state court administrative office shall contract with 1 or more independent third parties for evaluation and monitoring of drug court programs funded by the judiciary. The evaluation shall include measures of the impact of drug court programs in changing offender criminal involvement (recidivism) and substance abuse and in reducing prison admissions. The evaluation of a program funded with federal Byrne funds shall be consistent with any requirements contained in the federal Byrne grant for that program. Evaluations required by this section shall to the extent feasible compare offenders treated under the programs with other offenders of similar characteristics. Not later than April 1 of each year, the state court administrative office shall provide a progress report regarding the status and findings of the evaluation to the senate and house appropriations subcommittees on the judiciary, the senate and house fiscal agencies, and the state budget director.

Sec. 311. (1) The funds appropriated in part 1 for drug treatment courts shall be administered by the state court administrative office to operate drug treatment court programs. A drug treatment court program shall not receive funds for more than 5 years. A drug treatment court shall be responsible for handling cases involving substance abusing nonviolent offenders through comprehensive supervision, testing, treatment services, and immediate sanctions and incentives. A drug treatment court shall use all available county and state personnel involved in the disposition of cases including, but not limited to, parole and probation agents, prosecuting attorneys, defense attorneys, and community corrections providers. The funds may be used in connection with other federal, state, and local funding sources.

(2) Local units of government are encouraged to refer to federal drug treatment court guidelines to prepare proposals. However, federal agency approvals are not required for funding under this section.

(3) From the funds appropriated in part 1, the chief justice shall allocate sufficient funds for the judicial institute to provide in-state training for those identified in subsection (1), including training for new drug treatment court judges.

(4) For drug treatment court grants, consideration for priority may be given to those courts where higher instances of substance abuse cases are filed.

(5) The judiciary shall receive $1,800,000.00 in Byrne formula grant funding as an interdepartmental grant from the department of community health to be used for expansion of drug treatment courts, to assist in avoiding prison bed space growth for nonviolent offenders in collaboration with the department of corrections.

Sec. 312. From the funds appropriated in part 1, the state court administrator shall produce a statistical report regarding the implementation of the parental rights restoration act, 1990 PA 211, MCL 722.901 to 722.908, as it pertains to minors seeking a court-issued waiver of parental consent. The state court administrative office shall report the total number of petitions filed and the total number of petitions granted in accordance with section 208.

Sec. 313. It is the intent of the legislature that from the funds appropriated in part 1 for the judicial institute, training shall be provided to judges on judicial responsibilities under Michigan rules of evidence pertaining to expert witnesses. Training shall include, but not be limited to, instruction on the responsibility of the courts to guard against and exclude unreliable expert testimony, including whether the manner in which an expert witness extrapolates and interprets data is science-based with sufficient facts to support the data.

Sec. 317. From the funds appropriated in part 1 for transcript fee reimbursement, the judiciary shall reimburse counties for additional costs incurred in the event of a statutory increase in transcript fees under section 2543 of the revised judicature act of 1961, 1961 PA 236, MCL 600.2543.

ARTICLE 12

LABOR AND ECONOMIC GROWTH

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. The amounts listed in this part are appropriated for the department of labor and economic growth, subject to the conditions set forth in this article, for the fiscal year ending September 30, 2007, from the funds identified in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF LABOR AND ECONOMIC GROWTH

APPROPRIATION SUMMARY:		
Full-time equated unclassified positions	58.5	
Full-time equated classified positions	4,238.5	
GROSS APPROPRIATION		$ 1,231,476,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		23,485,800
ADJUSTED GROSS APPROPRIATION		$ 1,207,990,400
Federal revenues:		
Total federal revenues		795,345,800
Special revenue funds:		
Total local revenues		15,824,300
Total private revenues		2,314,300
Total other state restricted revenues		347,069,300
State general fund/general purpose		$ 47,436,700
Sec. 102. DEPARTMENTAL ADMINISTRATION		
Full-time equated unclassified positions	58.5	
Full-time equated classified positions	180.0	
Unclassified salaries		$ 5,349,400
Executive director programs—53.0 FTE positions		6,190,600
Regulatory efficiency improvements/backlog reduction initiative		665,600
Property management		11,071,100
Rent		17,215,600
Worker's compensation		2,396,000
Special project advances		940,000
HR optimization charges		252,800
Administrative services—127.0 FTE positions		12,952,200
GROSS APPROPRIATION		$ 57,033,300
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of community health		300,000
Federal revenues:		
DED-OEERE, multiple grants		9,100
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants		4,904,500
DOL-ETA, unemployment insurance		14,434,400
DOL-ETA, workforce investment act		861,500
DOL, federal funds		2,330,100
DOL, multiple grants for safety and health		733,900
Federal revenues		850,300
HHS, temporary assistance for needy families		347,000
HHS, titles XVIII and XIX		34,700
Special revenue funds:		
Private - special project advances		940,000
Local revenues		134,100

		For Fiscal Year Ending Sept. 30, 2007
Bank fees		527,500
Boiler fees		244,000
Construction code fund		1,124,800
Consumer finance fees		180,900
Contingent fund, penalty and interest account		885,300
Contingent fund, regular penalty and interest		3,900
Corporation fees		5,224,100
Credit union fees		358,000
Elevator fees		268,600
Fees and collections/asbestos		78,400
Fire service fees		615,300
Insurance licensing and regulation fees		2,031,100
Insurance regulatory fees		1,071,800
Licensing and regulation fees		790,400
Liquor license revenue		100,000
Liquor purchase revolving fund		6,219,400
Manufactured housing commission fees		279,700
Michigan state housing development authority fees and charges		3,644,700
Motor carrier fees		185,200
Public utility assessments		2,223,200
Private occupational school license fees		14,000
Rehabilitation services fees		90,300
Safety education and training fund		560,300
Second injury fund		253,500
Securities fees		2,414,400
Self-insurers security fund		83,300
Silicosis and dust disease fund		101,300
Tax tribunal fees		199,200
State general fund/general purpose	$	1,381,100
Sec. 103. OFFICE OF FINANCIAL AND INSURANCE SERVICES		
Full-time equated classified positions 284.0		
Administration—9.0 FTE positions	$	2,730,100
Policy conduct and consumer assistance—123.0 FTE positions		18,379,200
Financial evaluation—152.0 FTE positions		21,991,600
GROSS APPROPRIATION	$	43,100,900
Appropriated from:		
Federal revenues:		
Federal regulatory project revenue		50,400
Special revenue funds:		
Bank fees		7,704,500
Consumer finance fees		4,215,600
Credit union fees		5,066,400
Deferred presentment service transaction fees		725,700
Insurance continuing education fees		829,600
Insurance licensing and regulation fees		3,289,600
Insurance regulatory fees		18,936,600
Multiple employer welfare arrangement		67,500
Securities fees		2,215,000
State general fund/general purpose	$	0
Sec. 104. MICHIGAN BROADBAND DEVELOPMENT AUTHORITY		
Full-time equated classified positions 2.0		
Administration	$	501,800
GROSS APPROPRIATION	$	501,800
Appropriated from:		
Special revenue funds:		
Michigan broadband authority fees and charges		501,800
State general fund/general purpose	$	0

	For Fiscal Year Ending Sept. 30, 2007
Sec. 105. PUBLIC SERVICE COMMISSION	
Full-time equated classified positions.....166.0	
Administration, planning and regulation—155.0 FTE positions	$ 20,128,800
Energy office—9.0 FTE positions	5,307,300
Children's protection registry administration—2.0 FTE positions	264,700
GROSS APPROPRIATION	$ 25,700,800
Appropriated from:	
Federal revenues:	
DOE-OEERE, multiple grants	4,828,100
DOT-RSPA, gas pipeline safety	984,900
Special revenue funds:	
Private - oil overcharge	30,000
Children's protection registry fund	264,700
Motor carrier fees	2,144,600
Public utility assessments	17,448,500
State general fund/general purpose	$ 0
Sec. 106. LIQUOR CONTROL COMMISSION	
Full-time equated classified positions.....152.0	
Management support services—28.0 FTE positions	$ 3,211,100
Liquor licensing and enforcement—124.0 FTE positions	11,756,900
GROSS APPROPRIATION	$ 14,968,000
Appropriated from:	
Special revenue funds:	
Liquor license revenue	6,143,500
Liquor purchase revolving fund	8,824,500
State general fund/general purpose	$ 0
Sec. 107. MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY	
Full-time equated classified positions.....266.0	
Payments on behalf of tenants	$ 135,000,000
Housing and rental assistance program—266.0 FTE positions	33,984,400
GROSS APPROPRIATION	$ 168,984,400
Appropriated from:	
Federal revenues:	
HUD, lower income housing assistance program	135,000,000
Special revenue funds:	
Michigan state housing development authority fees and charges	33,984,400
State general fund/general purpose	$ 0
Sec. 108. TAX TRIBUNAL	
Full-time equated classified positions.....15.0	
Operations—15.0 FTE positions	$ 1,804,000
GROSS APPROPRIATION	$ 1,804,000
Appropriated from:	
Special revenue funds:	
Corporation fees	195,100
Securities fees	265,100
Tax tribunal fees	1,343,800
State general fund/general purpose	$ 0
Sec. 109. OCCUPATIONAL REGULATION	
Full-time equated classified positions.....420.0	
Boiler inspection program—25.0 FTE positions	$ 2,679,700
Fire fighters training council	1,710,400
Fire marshal program	432,600
Fire safety program funding—57.0 FTE positions	4,190,100
Code enforcement—120.0 FTE positions	12,650,300
Commercial services—155.0 FTE positions	20,069,200
Elevator inspection program—30.0 FTE positions	2,842,300
Local manufactured housing communities inspections	250,000

		For Fiscal Year Ending Sept. 30, 2007
Manufactured housing and land resources program—22.0 FTE positions		2,935,700
Property development group—11.0 FTE positions		1,528,600
GROSS APPROPRIATION	$	49,288,900
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of community health, inspection contract		68,500
IDG from department of state police, homeland security		754,300
Federal revenues:		
FEMA		28,000
DOT		47,000
HHS, titles XVIII and XIX		700,000
Special revenue funds:		
Boiler fee revenue		3,069,600
Construction code fund		12,567,400
Corporation fees		10,285,700
Elevator fees		3,205,300
Fire alarm fees		95,000
Fire service fees		1,640,300
Homeowner construction lien recovery fund		1,532,800
Licensing and regulation fees		9,486,100
Manufactured housing commission fees		2,515,700
Michigan boxing fund		206,200
Property development fees		275,500
Real estate appraiser continuing education fund		45,000
Real estate education fund		267,500
Remonumentation fees		691,100
Securities fees		1,499,900
Security business fund		308,000
State general fund/general purpose	$	0
Sec. 110. EMPLOYMENT RELATIONS		
Full-time equated classified positions 21.0		
Employment and labor relations—21.0 FTE positions	$	3,121,200
GROSS APPROPRIATION	$	3,121,200
Appropriated from:		
Federal revenues:		
EEOC, federal funds		10,000
Special revenue funds:		
Securities fees		3,056,700
State general fund/general purpose	$	54,500
Sec. 111. MICHIGAN OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION		
Full-time equated classified positions 229.0		
Occupational safety and health—229.0 FTE positions	$	25,846,300
GROSS APPROPRIATION	$	25,846,300
Appropriated from:		
Federal revenues:		
DOL, multiple grants for safety and health		12,281,800
Special revenue funds:		
Corporation fees		2,202,000
Fees and collections/asbestos		833,900
Licensing and regulation fees		1,174,800
Safety education and training fund		7,581,500
Securities fees		1,772,300
State general fund/general purpose	$	0
Sec. 112. BUREAU OF WORKER'S AND UNEMPLOYMENT COMPENSATION		
Full-time equated classified positions 1,251.0		
Administration—96.6 FTE positions	$	9,584,200

		For Fiscal Year Ending Sept. 30, 2007
Board of magistrates and appellate commission—19.4 FTE positions		2,887,900
Wage and hour division—35.0 FTE positions		2,983,100
Insurance funds administration—28.0 FTE positions		4,485,400
Supplemental benefit fund		1,300,000
Unemployment programs—1,002.7 FTE positions		87,519,600
Advocacy assistance program		1,500,000
Special audit and collections program—34.0 FTE positions		2,772,100
Training program for agency staff—2.1 FTE positions		1,799,500
Expanded fraud control program—33.2 FTE positions		3,081,900
GROSS APPROPRIATION	$	117,913,700
Appropriated from:		
Federal revenues:		
DOL-ETA, employment and training administration		646,200
DOL-ETA, unemployment insurance		90,164,200
Federal Reed act funds		4,362,700
Special revenue funds:		
Corporation fees		2,472,100
Contingent fund, penalty and interest account		10,259,000
Licensing and regulation fees		789,700
Second injury fund		2,414,800
Securities fees		2,472,600
Self-insurers security fund		1,141,600
Silicosis and dust disease fund		929,000
Worker's compensation administrative revolving fund		2,261,800
State general fund/general purpose	$	0
Sec. 113. STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES		
Full-time equated classified positions 163.0		
Administrative hearings and rules—163.0 FTE positions	$	21,019,600
GROSS APPROPRIATION	$	21,019,600
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of community health		1,641,200
IDG from department of corrections		3,660,400
IDG from department of education		1,025,000
IDG from department of environmental quality		502,800
IDG from department of human services		3,214,300
IDG from department of management and budget		40,500
Federal revenues:		
DOL-ETA, unemployment insurance		6,101,600
DOL, multiple grants for safety and health		195,000
Special revenue funds:		
Construction code fund		282,100
Corporation fees		351,900
Insurance regulatory fees		333,900
Licensing and regulation fees		1,074,000
Liquor purchase revolving fund		115,200
Manufactured housing commission fees		137,900
Public utility assessments		1,225,900
Safety education and training fund		188,700
Securities fees		855,600
Tax tribunal fees		73,600
State general fund/general purpose	$	0
Sec. 114. INFORMATION TECHNOLOGY		
Information technology services and projects	$	43,188,500
GROSS APPROPRIATION	$	43,188,500
Appropriated from:		
Federal revenues:		
DOL-ETA, unemployment insurance		20,754,300

		For Fiscal Year Ending Sept. 30, 2007
DOL, multiple grants for safety and health		268,400
Federal revenues		5,852,700
HHS, temporary assistance for needy families		176,300
Special revenue funds:		
Bank fees		477,300
Boiler fee revenue		321,000
Construction code fund		925,900
Consumer finance fees		194,200
Corporation fees		1,760,900
Credit union fees		269,300
Elevator fees		254,400
Fees and collections/asbestos		11,000
Fire service fees		510,000
Insurance regulatory fees		697,200
Licensing and regulation fees		1,143,900
Liquor purchase revolving fund		4,414,700
Manufactured housing commission fees		72,400
Michigan state housing development authority fees and charges		1,997,000
Motor carrier fees		115,900
Public utility assessments		873,100
Safety education and training fund		345,600
Second injury fund		146,500
Securities fees		1,478,900
Self-insurers security fund		68,300
Silicosis and dust disease fund		59,300
State general fund/general purpose	$	0
Sec. 115. WORKFORCE DEVELOPMENT		
Full-time equated classified positions 903.5		
Employment services—246.0 FTE positions	$	47,821,400
Jobs education training pilot—31.0 FTE positions		12,278,800
Labor market information—52.0 FTE positions		6,184,800
Michigan rehabilitation services—513.5 FTE positions		68,875,900
Office of workforce development—61.0 FTE positions		30,796,200
GROSS APPROPRIATION	$	165,957,100
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of human services		12,278,800
Federal revenues:		
DAG, employment and training		178,700
DED-OPSE, multiple grants		1,185,700
DED-OSERS, centers for independent living		58,200
DED-OSERS, rehabilitation long-term training		316,900
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants		51,774,100
DED-OSERS, state grants for technical related assistance		56,000
DED, Perkins act		281,300
DOL-ETA, workforce investment act		7,334,100
DOL, federal funds		65,513,300
DOL, ODEP		225,000
HHS-SSA, supplemental security income		3,633,000
HHS, temporary assistance for needy families		3,320,200
Special revenue funds:		
Private - gifts, bequests, and donations		816,000
Local revenue		4,206,400
Local vocational rehabilitation match		3,054,000
Contingent fund, penalty and interest account		1,781,800
Rehabilitation services fees		1,309,700
Second injury fund		51,500

		For Fiscal Year Ending Sept. 30, 2007
Student fees		308,000
Training materials fees		256,400
State general fund/general purpose	$	8,018,000
Sec. 116. CAREER EDUCATION PROGRAMS		
Full-time equated classified positions 55.0		
Career and technical education—25.0 FTE positions	$	3,502,700
Postsecondary education—14.0 FTE positions		2,626,900
Adult education—16.0 FTE positions		2,439,100
GROSS APPROPRIATION	$	8,568,700
Appropriated from:		
Federal revenues:		
Federal revenues		6,544,300
Special revenue funds:		
Private occupational school license fees		422,100
Defaulted loan collection fees		100,000
State general fund/general purpose	$	1,502,300
Sec. 117. DEPARTMENT GRANTS		
Adult basic education	$	20,000,000
Carl D. Perkins grants		47,500,000
Focus: HOPE		5,860,200
Gear-up program grants		3,000,000
Job training programs subgrantees		118,952,700
Personal assistance services		459,500
Vocational rehabilitation client services/facilities		55,549,500
Vocational rehabilitation independent living		3,079,700
Welfare-to-work programs		113,798,600
Fire protection grants		10,910,500
Low-income energy efficiency assistance		60,000,000
Liquor law enforcement grants		6,000,000
Remonumentation grants		14,000,000
GROSS APPROPRIATION	$	459,110,700
Appropriated from:		
Federal revenues:		
DAG, employment and training		13,000,000
DED-OESE, gear-up		3,000,000
DED-OSERS, centers for independent living		450,200
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants		35,797,900
DED-OSERS, rehabilitation services facilities		2,272,500
DED-OSERS, supported employment		1,541,300
DED-OSERS, state grants for technical related assistance		2,240,800
DED-OVAE, adult education		20,000,000
DED-OVAE, basic grants to states		47,500,000
DOL-ETA, workforce investment act		119,602,700
HHS, temporary assistance for needy families		82,299,000
HHS-SSA, supplemental security income		3,480,600
Special revenue funds:		
Private - gifts, bequests, and donations		400,000
Local vocational rehabilitation match		6,630,500
Local vocational rehabilitation facilities match		1,278,300
Contingent fund, penalty and interest account		1,000,000
Low-income energy efficiency fund		60,000,000
Fire protection fund		3,500,000
Liquor purchase revolving fund		3,710,500
Liquor license revenue		6,000,000
Remonumentation fees		14,000,000
State general fund/general purpose	$	31,406,400

	For Fiscal Year Ending Sept. 30, 2007
Sec. 118. BOARDS, AUTHORITIES AND COMMISSIONS	
Full-time equated classified positions.....131.0	
MES board of review program—18.0 FTE positions	$ 2,134,200
Rights-of-way oversight authority—5.0 FTE positions	539,400
Land bank fast track authority—5.0 FTE positions	812,100
Commission on Spanish-speaking affairs—2.0 FTE positions	242,900
Commission on disability concerns—7.0 FTE positions	1,041,900
Commission for the blind—94.0 FTE positions	19,406,000
Utility consumer representation	950,000
Youth low vision program	241,800
GROSS APPROPRIATION	$ 25,368,300
Appropriated from:	
Federal revenues:	
Federal revenues	14,648,700
DOL-ETA, unemployment insurance	2,134,200
Special revenue funds:	
Private revenues	128,300
Local revenues	521,000
Land bank fast track funds	812,100
METRO authority fund	539,400
State restricted revenues	560,200
Utility consumer representation fund	950,000
State general fund/general purpose	$ 5,074,400

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is $394,506,100.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is $51,370,500.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF LABOR AND ECONOMIC GROWTH

Fire protection grants	$ 10,910,500
Liquor law enforcement	6,000,000
Local manufactured housing inspections	250,000
Remonumentation grants	14,000,000
Fire fighters training council	1,710,400
Welfare to work	18,499,600
Total department of labor and economic growth	$ 51,370,500

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

Sec. 203. As used in this article:

(a) “CEO” means chief executive officer of the Michigan economic development corporation.

(b) “CNS” means the corporation for national services.

(c) “DAG” means the United States department of agriculture.

(d) “DED” means the United States department of education.

(e) “DED-OESE” means the DED office of elementary and secondary education.

(f) “DED-OPSE” means the DED office of postsecondary education.

(g) “DED-OSERS” means the DED office of special education rehabilitation services.

(h) “DED-OVAE” means the DED office of vocational and adult education.

(i) “Department” means the department of labor and economic growth, including the Michigan strategic fund.

(j) “Director” means the director of the department of labor and economic growth.

(k) “DOE” means the United States department of energy.

(*l*) “DOE-OEERE” means the DOE office of energy efficiency and renewable energy.

(m) “DOL” means the United States department of labor.

(n) “DOL-ETA” means the DOL employment and training administration.

(o) “DOL-ODEP” means the DOL office of disability employment policy.

(p) “DOT” means the United States department of transportation.

(q) “DOT-RSPA” means the DOT research and special programs administration.
(r) “EEOC” means equal employment opportunity commission.
(s) “Fiscal agencies” means Michigan house fiscal agency and Michigan senate fiscal agency.
(t) “FTE” means full-time equated.
(u) “GED” means general education degree.
(v) “HHS” means the United States department of health and human services.
(w) “HHS-SSA” means HHS social security administration.
(x) “HUD” means the United States department of housing and urban development.
(y) “HUD-CPD” means HUD community planning and development.
(z) “IDG” means interdepartmental grant.
(aa) “MDCH” means the Michigan department of community health.
(bb) “MDEQ” means the Michigan department of environmental quality.
(cc) “MES” means Michigan employment security.
(dd) “SOAHR” means the state office of administrative hearings and rules.
(ee) “Subcommittees” means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.

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

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

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

Sec. 207. At least 60 days before beginning any effort to privatize, the department shall submit a complete project plan to the subcommittees and the fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the fiscal agencies and to the subcommittees within 30 months.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this article. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on the Internet or Intranet site.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality.

Sec. 210. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 211. The department shall establish and maintain affirmative action programs based on the guidelines developed by the state equal opportunity workforce planning council which was created by Executive Order No. 1996-13 in order to receive general fund/general purpose dollars.

Sec. 212. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

Sec. 213. From the funds appropriated in part 1 for information technology, the departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 214. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 216. It is the intent of the legislature that all revenue sources for funds appropriated in part 1 shall not be aggregated into general categories and shall be specifically identified and detailed as much as possible.

Sec. 217. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2007 shall be limited to situations in which 1 or more of the following conditions apply:

(a) The travel is required by legal mandate or court order or for law enforcement purposes.

(b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.

(c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.

(d) The travel is necessary to comply with federal requirements.

(e) The travel is necessary to secure specialized training for staff that is not available within this state.

(f) The travel is financed entirely by federal or nonstate funds.

(2) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the house and senate appropriations committees.

(3) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the chairs and members of the house and senate appropriations committees, the fiscal agencies, and the state budget director. The report shall include the following information:

(a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

(d) A brief statement of the reason for each travel occurrence.

(e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

(f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 219. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

REGULATORY

Sec. 301. The appropriation in part 1 for fire protection grants from the liquor purchase revolving fund and the fire protection fund shall be appropriated to cities, villages, and townships with state-owned facilities for fire services, instead of taxes, in accordance with 1977 PA 289, MCL 141.951 to 141.956.

Sec. 302. The funds collected by the office of financial and insurance services in connection with a conservatorship pursuant to section 32 of the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1682, shall be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 303. The funds collected by the department from corporations being liquidated pursuant to the insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302, shall be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 304. The department may make available to interested entities otherwise unavailable customized listings of nonconfidential information in its possession, such as names and addresses of licensees, and charge for this information as follows: base fee for 1 to 1,000 records at the cost to the department; 1,001 to 10,000 records at 2.5 cents per record; and 10,001 or more records at .5 cents per record. The revenue received from this service may be used to offset expenses of programs as appropriated in part 1. The balance of this revenue collected and unexpended at the end of the fiscal year shall revert to the appropriate restricted revenue account or fund or, in absence of such an account or fund, to the general fund. The department shall submit an annual report on or before December 1 of each year to the state budget office and the subcommittees that states the amount of revenue received from the sale of information.

Sec. 306. The Michigan state housing development authority shall annually present a report to the state budget office and the subcommittees on the status of the authority's housing production goals under all financing programs established or administered by the authority. The report shall give special attention to efforts to raise affordable multifamily housing production goals.

Sec. 308. The funds collected by the department for licenses, permits, and other elevator regulation fees set forth in R 408.8151 of the Michigan administrative code and as determined under section 8 of 1976 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL 408.816, that are unexpended at the end of the fiscal year shall carry forward to the subsequent fiscal year. The department shall submit a report on an annual basis to the state budget office and the subcommittees on the amount of funds available under this section.

Sec. 309. If the revenue collected by the department for occupational safety and health from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 310. Money appropriated under this article for the bureau of fire services shall not be expended unless, in accordance with section 2c of the fire prevention code, 1941 PA 207, MCL 29.2c, inspection and plan review fees will be charged according to the following schedule:

Operation and maintenance inspection fee

Facility type	Facility size	Fee
Hospitals	Any	$8.00 per bed

Plan review and construction inspection fees for hospitals and schools

Project cost range	Fee
$101,000.00 or less	minimum fee of $155.00
$101,001.00 to $1,500,000.00	$1.60 per $1,000.00
$1,500,001.00 to $10,000,000.00	$1.30 per $1,000.00
$10,000,001.00 or more	$1.10 per $1,000.00 or a maximum fee of $60,000.00.

Sec. 313. If the revenue collected by the department from licensing and regulation fees collected by the office of commercial services exceeds the amount appropriated in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 314. Funds earned or authorized by the United States department of labor in excess of the gross appropriation in part 1 for the unemployment insurance agency and the employment service agency from the United States department of labor are appropriated and may be expended for staffing and related expenses incurred in the operation of its programs. These funds may be spent after the department notifies the state budget office and the subcommittees of the purpose and amount of each grant award.

Sec. 315. The department shall sell documents at a price not to exceed the cost of production and distribution. Money received from the sale of these documents shall revert to the department. The funds are available for expenditure when they are received by the department of treasury and may only be used for costs directly related to the continued updating and distribution of the documents pursuant to this section. This section applies only for the following documents:

(a) Corporation and securities division documents, reports, and papers required or permitted by law pursuant to section 1060(5) of the business corporation act, 1972 PA 284, MCL 450.2060.

(b) The subdivision control manual, the state boundary commission operations manual, and other local government assistance manuals.

(c) The Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1101 to 436.2303.

(d) The mobile home commission act, 1987 PA 96, MCL 125.2301 to 125.2349; the business corporation act, 1972 PA 284, MCL 450.1101 to 450.2098; the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192; and the uniform securities act, 1964 PA 265, MCL 451.501 to 451.818.

(e) Labor law books.

(f) Worker's compensation health care services rules.

(g) Construction code manuals.

(h) Copies of transcripts from administrative law hearings.

Sec. 317. The department, MIOSHA, shall provide an annual report by February 1 of each year to the state budget office, the fiscal agencies, and the subcommittees on the number of individuals killed and the number of individuals injured on the job within industries regulated by the bureau during the most recent year for which data are available.

Sec. 319. (1) Of the funds appropriated in part 1, no funds shall be used to support the development and enforcement of, or activities that promote the development and enforcement of, guidelines, standards, protocols, audit procedures, or other similar mandates that place additional measures on professional employment organizations than currently prescribed by statute.

(2) From the funds appropriated in part 1 for the bureau of worker's and unemployment compensation, the department shall allocate funds to administer the current section 22b of the Michigan employment security act, 1939 (Ex Sess) PA 1, MCL 421.22b.

(3) As used in this section, a professional employer organization is defined as an organization that provides the management and administration of the human resources and employer risk of another entity by contractually assuming substantial employer rights, responsibilities, and risk through a professional employer agreement that establishes an employer relationship with the leased officers or employees assigned to the other entity by doing all of the following:

(a) Maintaining the right of direction and control of the employees' work, although this responsibility may be shared with the other entity.

(b) Paying wages and employment taxes of the employees out of its own accounts.

(c) Reporting, collecting, and depositing state and federal employment taxes for the employees.

(d) Retaining the right to hire and fire employees.

Sec. 326. (1) The appropriation in part 1 for the Michigan commission for the blind includes funds for case services. These funds may be used for tuition payments for blind clients 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. 332. It is the intent of the legislature that the department make every effort to hold administrative law hearings on actions initiated by the department against regulated businesses or against individuals in regulated occupations in locations that are within 150 miles of the regulated business or of the office of the individual in a regulated occupation. In addition, it is the intent of the legislature that the department make every effort to hold administrative law hearings on actions initiated by an individual outside the department in locations within 150 miles of the home of the individual bringing the action if that individual wishes to testify at the hearing.

Sec. 335. The public service commission shall report by June 1 of each year to the subcommittees, the state budget office, and the fiscal agencies on the distribution of funds appropriated in part 1 for the low-income/energy efficiency assistance program.

Sec. 336. The department shall provide the subcommittees, fiscal agencies, and state budget director with a report on or before December 1 outlining actual expenditures for the last completed fiscal year for each division within the office of financial and insurance services.

Sec. 337. The department shall not expend funds from the appropriations in part 1 for the office of financial and insurance services for the purpose of implementing prohibitions on the use of credit scoring in establishing insurance premiums by insurance companies until the legislature has, by statute, authorized such a prohibition.

Sec. 340. The office of financial and insurance services shall provide copies of the quarterly and annual financial filings of health maintenance organizations to the fiscal agencies on a timely basis.

Sec. 341. For the fiscal year ending September 30, 2007, surplus consumer finance fee revenues of $7,000,000.00 are hereby appropriated to the state general fund.

Sec. 349. The department and the Michigan state housing development authority shall work collaboratively with other state departments and agencies to maximize the use of available Michigan state housing development authority fund equity to provide senior assisted living that offers a continuum of care from independent apartments to assisted living to nursing care and Alzheimer programs.

Sec. 350. (1) The department shall allocate funds to promote awareness of the right of a policyholder, subscriber, member, enrollee, or other individual participating in a health benefit plan, after the covered person has exhausted the health carrier's internal grievance process provided for by law, to request an external review for an adverse determination.

(2) As used in this section, "covered person" means that term as defined in section 3 of the patient's right to independent review act, 2000 PA 251, MCL 550.1903.

Sec. 351. (1) The department shall issue a report to the subcommittees for each calendar year, but not later than February 15 of the following year, showing the date each real estate continuing education course was submitted for approval and the date of final disposition, approval, or denial.

(2) The department shall post on its website the approved real estate continuing education courses, as well as the dates, times, instructors, locations, course title, and credit hours of the courses.

(3) The department shall have available to the public on-line the prelicensure and continuing education course approvals.

(4) It is the intent of the legislature that sponsors of continuing education be able to report an applicant's or licensee's completion of courses to the department via electronic methods.

Sec. 352. From the funds appropriated in part 1 for unclassified salaries, the department shall provide funding for 5 worker's compensation appellate commissioners and 26 worker's compensation board of magistrates. Expenditures shall be made so that the 2 bodies shall decide worker's compensation cases in a timely manner.

Sec. 355. (1) Of the funds appropriated in part 1, no funds shall be used to support the development of, staffing of, or activities promoting the development of guidelines, rules, standards, protocols, or other similar mandates that are more stringent than federal voluntary ergonomics guidelines. This section does not prohibit any person from adopting, or working with the state to develop, voluntary ergonomics standards.

(2) On March 1, 2007 and September 1, 2007, the department shall provide a report to the fiscal agencies and appropriations subcommittees of any staffing time or activities regarding the development of a voluntary or mandatory, or both, ergonomic standard, whether contained in rules, guidelines, policy directives, or bulletins.

Sec. 356. The Michigan commission for the blind shall work collaboratively with service organizations to identify qualified match dollars to maximize use of available federal funds.

Sec. 357. From the funds appropriated in part 1 for commercial services, the department shall allocate $50,000.00 for the resumption of printing the real estate law and rules book (red book). The red book shall include, but is not limited to, real estate laws and regulations and related statutes. The red book will be provided at no charge to actively licensed real estate brokers, associate brokers, and salespersons. Any other party seeking a copy of the red book may

purchase the book from the bureau of commercial services at the bureau's cost to produce the book or they may print the bureau's internet version of the red book at no cost.

Sec. 358. The real estate education fund created in section 37 of the state license fee act, 1979 PA 152, MCL 338.2237, and administered by the department shall allow prelicensure and postlicensure education to be delivered through on-line courses by a community college, university, or private school, after licensure and approval by the department. Expenditures from this fund may also be made to support department grants for educational providers to establish on-line courses that would be made available to students throughout the year.

Sec. 361. In addition to the amounts appropriated in part 1 for the administration of the land bank fast track authority, the authority may expend revenues received under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, for the purposes authorized by the act including, but not limited to, the acquisition, lease, management, demolition, maintenance, or rehabilitation of real or personal property, payment of debt service for notes or bonds issued by the authority, and other expenses to clear or quiet title property held by the authority.

Sec. 362. Of the funds appropriated in part 1 for the department, $200,000.00 may be used for administration and enforcement of boxing regulation in Michigan.

Sec. 364. The department shall provide a report to the chairs of the appropriation subcommittees on labor and economic growth by January 1 on the total administrative costs allocated for the broadband development authority. These costs should include all staffing and other related costs associated with contracts. The report shall also include any payments to date for reimbursement to the Michigan state housing development authority. If no payments have been made, then the report shall include a detailed plan outlining the reimbursement schedule.

Sec. 365. From the funds appropriated in part 1 for occupational safety, not less than $40,000.00 shall be allocated to nonprofit organizations representing the aggregate industry in Michigan in a grant for an industrial-related comprehensive training and technical assistance program. Such funds shall be subject to the conditions established by the Michigan occupational safety and health administration.

Sec. 366. It is the intent of the legislature to fund the workers' compensation administration with general fund money.

Sec. 368. Funds collected by the department under sections 55, 57, 58, and 59 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.255, 24.257, 24.258, and 24.259, and section 203 of the legislative council act, 1986 PA 268, MCL 4.1203, are appropriated for all expenses necessary to provide for the cost of publication and distribution. The funds appropriated under this section are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 372. (1) The office of financial and insurance services shall report to the legislature, fiscal agencies, and office of the auditor general quarterly, beginning January 1, 2007, with a summary of final decisions or recommendations, or both, rendered by SOAHR administrative law judges, SOAHR administrative law managers, and hearing officers for cases under the jurisdiction of the office of financial and insurance services.

(2) The report shall be organized by case types.

(3) The report shall indicate whether the SOAHR administrative law judge, SOAHR administrative law manager, or hearing officer made a final decision or recommended a decision in favor of the office of financial and insurance services in whole or in part, or if the parties negotiated a settlement. The report shall also delineate if the director agreed or disagreed with the recommendation of the SOAHR administrative law judges, SOAHR administrative law manager, or hearing officer.

(4) The report shall include how long each case took from the date of the original filing until the issuance of a decision or recommendation by the SOAHR administrative law judge, SOAHR administrative law manager, or hearing officer.

Sec. 373. The department shall report by November 1 to the appropriation subcommittees, the fiscal agencies, and the state budget director on the number of employer and employee inquiries by quarter for the fiscal year 2005-2006 concerning changes in the minimum wage as a result of 2006 PA 81. The same report shall be prepared and submitted quarterly for the fiscal year 2006-2007.

WORKFORCE AND CAREER DEVELOPMENT

Sec. 401. The Michigan career and technical institute may receive equipment and in-kind contributions for the direct support of staff services through the Pine Lake fund, the Delton-Kellogg school district or other local or intermediate school district, or any combination of local or intermediate school districts in addition to those authorized in part 1.

Sec. 402. The Michigan rehabilitation service shall make every effort to ensure that all sources of matching funds in this state are used to obtain federal vocational rehabilitation funds. All sources include, but are not limited to, privately raised funds to support public nonprofit rehabilitation centers as permitted by the rehabilitation act of 1973, Public Law 93-112, 29 USC 701 to 718, 720 to 751, 760 to 765, 771 to 776, 780 to 785, 791 to 794e, 795 to 795n, and 796 to 796*l*.

Sec. 403. The local match requirements for vocational rehabilitation facilities establishment grants shall not exceed 21.3% for the fiscal year ending September 30.

Sec. 404. (1) Of the funds appropriated in part 1 for vocational rehabilitation independent living, all general fund/general purpose revenue not used to match federal funds shall be used for the support of centers for independent living which are in compliance with federal standards for such centers, for the development of new centers in areas presently unserved or underserved, for technical assistance to centers, and for projects to build capacity of centers to deliver independent living services. Applications for such funds shall be reviewed in accordance with criteria and procedures established by the statewide independent living council, the Michigan rehabilitation services unit within the department, and the Michigan commission for the blind. Funds must be used in a manner consistent with the priorities established in the state plan for independent living. The department is directed to work with the Michigan association of centers for independent living and the local workforce development boards to identify other competitive sources of funding.

(2) As a condition of receipt of funds appropriated in part 1, the statewide independent living council and the Michigan association of centers for independent living shall jointly produce a report providing the following information:

(a) Results in terms of enhanced statewide access to independent living services to individuals who do not have access to such services through other existing public agencies, including measures by which these results can be monitored over time. These measures shall include:

(*i*) Total number of persons assisted by the centers and a comparison to the number assisted in the previous year.

(*ii*) Number of persons moved out of nursing homes into independent living situations and a comparison to the number assisted in the previous year.

(*iii*) Number of persons for whom accommodations were provided to enable independent living or access to employment and a comparison to the number assisted in the previous year.

(*iv*) The total number of disabled individuals served by personal care attendants and the number of personal care attendants provided through the use of any funds appropriated in part 1 administered by a center for independent living and a comparison to the number served in the previous year.

(b) Information from each center for independent living receiving funding through appropriations in part 1 detailing their total budget for their most recently completed fiscal year as well as the amount within that budget funded through the vocational rehabilitation independent living grant program referenced in part 1, the total amount funded through other state agencies, the amount funded through federal sources, and the amount funded through local and private sources.

(c) Savings to state taxpayers in other specific areas that can be shown to be the direct result of activities funded from the vocational rehabilitation independent living grant program during the most recently completed state fiscal year.

(3) The report required in subsection (2) shall be submitted to the subcommittees, the fiscal agencies, and the state budget director on or before January 30.

Sec. 405. (1) The appropriation in part 1 to the department for the work first program shall be expended for grants which provide employment, education, community service, volunteerism options, and training services to department of human services applicants and recipients and may be expended for grants that provide employment, education, community service, volunteerism options, and training services to former family independence program recipients, as well as to recipients of noncash public assistance, specifically child day care, Medicaid, or food stamp benefits. The work first program, however, shall not be construed to be an entitlement to services.

(2) An applicant shall be limited to a Michigan works! agency, a school district, intermediate school district, community college, public or private nonprofit college or university, nonprofit organization that provides school-to-work transition programs or that provides employment and training services or vocational rehabilitation programs or state licensed accredited vocational or technical education programs, proprietary school licensed by the state board of education, local workforce development board, or a consortium consisting of any combination of school districts, intermediate school districts, community colleges, nonprofit organizations described in this subsection, licensed proprietary schools, or public or private nonprofit colleges or universities described in this subsection.

(3) The department and the department of human services shall develop a process, set of procedures, and an instrument for providing confidential screening of individuals during the eligibility determination. Only those individuals identified as ready for employment and training services shall be referred to the work first program. Barriers to employment shall be reported to facilitate further assessment and referral. If no prohibitive barriers to work are found, the individual shall comply with the work first program, or be subject to appropriate penalties.

(4) Work first program participants shall include recipients of the department of human services program established under section 57a of the social welfare act, 1939 PA 280, MCL 400.57a, and such individuals referred to a job club program by a county department of human services board or a county friend of the court as long as the participation in the job club is part of an application submitted under this section.

(5) Participants in the work first program shall not be enrolled and counted in membership in a school district or intermediate school district.

(6) The department will work with the department of human services to coordinate support services to work first participants relating to special/emergency needs.

(7) Work first program participants must receive or be provided an explanation of the program including their benefits and responsibilities before the job interview phase of the program. This explanation shall include clear guidelines with regard to an individual's eligibility for postemployment training support and for applying hours in training toward work requirements.

(8) The department shall make every effort to place a minimum of 50% of clients who participate in the work first program in positions that provide wages of $8.00 per hour or more. The department, the department of human services, and the Michigan works! agencies shall develop and implement a shared assessment process and evaluation tool to identify barriers that may prevent the participant from obtaining employment in an occupationally relevant and demand-driven occupation and assistance that may be needed to remove the barriers, including transportation, education, and job training.

(9) The department shall submit to the fiscal agencies and the state budget director by March 15 a report on the work first program, including the number of participants served under this section, the number of persons who located employment through work first, the average wage of participants who found employment, the number of persons who retained jobs for 6 months, the number of participants placed in employment training and education programs, the number of clients referred to work first who failed to report, a compilation of barriers to employment by incidence and type experienced by participants, and the number of participants referred back to the department of human services.

(10) The department shall provide to the state budget director and the fiscal agencies by May 15 and November 15 of each year a report on the work first grants. The report due by May 15 shall provide the information described in this subsection for each grant or contract awarded during the preceding 2 quarters of the state fiscal year. The report due by November 15 shall provide this information for each grant or contract awarded during the preceding full fiscal year. The report shall contain both of the following:

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

(b) The number of participants in each service delivery area and all of the following:

(*i*) The number of clients placed in employment for at least 6 consecutive months in each service delivery area.

(*ii*) The number of clients obtaining a postsecondary education in each service delivery area.

(*iii*) The number of clients placed in community service in each service delivery area.

(*iv*) The number of clients obtaining other education and training credentials.

(11) The department shall make available to work first participants guidelines on eligibility for postemployment training and how training/education hours are applied toward work participation requirements. These guidelines will be presented by the department of human services and the department contracted staff in accordance with department policy issuances and department of human services program bulletins. These guidelines presented by the department and the department of human services shall balance the ability of participants to obtain training and subsequent long-term high-wage employment with the need to connect participants with the workplace. Any and all training/education and community service, with the exception of high school completion and GED preparation, must be occupationally relevant and in demand in the labor market as determined by the workforce development board. Participants must make satisfactory progress to continue in a training/education component.

(12) The work participation requirement is up to 40 hours per week. However, work first participants may meet the work participation requirement by participating in comprehensive basic skills education for the minimum time determined by the assessment and evaluation provided in subsection (8). A combination of basic skills training, occupational training, and community service up to the maximum determined by the assessment and evaluation provided in subsection (8) may be used to satisfy the work participation requirements. Training/education and community service may last up to 36 months and the calculated hours may include actual classroom seat time up to 15 hours per week plus up to 1 hour of study time for each hour of classroom seat time. Work first participants may enroll in additional hours of classroom seat time beyond 15 hours. However, these hours and the related study time will not count toward the work participation requirement. Assistance may be provided for up to 24 months.

(13) Work first participants may meet the work participation requirement through enrollment in a short-term vocational program requiring 30 hours of classroom seat time per week for a period not to exceed 6 months, or by enrollment in full-time internships, practicums, or clinicals required by an academic or training institution for licensure, professional certification, or degree completion, without an additional work requirement. In cases where a short-term vocational program lasts less than 6 months, the participant shall be eligible to enroll in 1 additional short-term vocational program for a combined period not to exceed a total of 12 months.

(14) Work first participants who lack a high school diploma or GED and who enroll in high school completion or classes to obtain a GED may count up to 10 hours of classroom seat time, combined with a minimum number of hours of work per week, to meet their work participation requirement. There shall be no time limit on high school completion. GED preparation shall be limited to 12 months.

(15) The department shall convene a work group to review and recommend available options for providing increased flexibility regarding the education requirements as outlined in this act.

(16) Work first participants that are assessed at a reading and/or math skill level of below ninth grade on a standardized assessment will participate in an appropriate comprehensive basic skills education program to address these deficiencies as determined to be appropriate by the assessment and evaluation provided in subsection (8) and the Michigan works! agency identifies local resources to provide the services. The department will work with the department of human services to develop appropriate programs and incentives to increase participation in and successful completion of these programs.

(17) In order to achieve more efficient and effective use of funds for public assistance, to reduce dependency, or to improve the living conditions and increase the incomes of individuals receiving public assistance, the department may establish and conduct pilot projects in 1 or more Michigan works! areas. The department may apply different policies in the pilot programs than it applies in the rest of the Michigan works! area, and may conduct the pilot projects as long as is necessary to provide a reasonable test of the policy being evaluated. Pilot projects shall be consistent with principles and goals set forth in this act.

(18) As used in this section, "work first program" means the jobs, education, and training program.

Sec. 406. (1) Using all relevant state data sources, the department shall conduct a 3-year longitudinal study of all former work first participants, whose department of human services program cases closed due to earnings during fiscal year 1999 and in succeeding fiscal years. The data will include the following:

(a) The number and percentage employed.

(b) The average hourly wage of those employed.

(c) The current hourly wage of those employed.

(d) The range of wages earned by those employed.

(e) The number of individuals that earned each wage amount.

(f) The number and percentage receiving health care benefits from their employer.

(g) The number and percentage receiving tuition reimbursement from their employer.

(h) The number and percentage receiving training benefits from their employer.

(i) The type of jobs obtained by former participants in general categories.

(j) The length of time former participants have retained their jobs, or if participants have had more than 1 job, the length of time employed at each job.

(k) The number and percentage continuing to receive any type of public assistance.

(*l*) If the former recipient has children, whether the children are enrolled in and attending school.

(m) The extent to which the former participant feels that they and their family are better off now than when they were on cash assistance with regard to household income, housing, food and nutritional needs, child health care, and access to health insurance coverage.

(2) The department shall notify the subcommittees, fiscal agencies, and state budget director electronically by March 15 of the location of the Internet site where the report containing the identified data is located.

(3) The department shall cooperate with the department of human services in formulating and acquiring the identified data.

(4) The department may retain a third party to conduct the studies to obtain the data identified under this section.

Sec. 407. State and federal funds allocated to local workforce development boards for disbursement shall not be expended unless the local workforce development boards maintain a partnership with governmental agencies, public school districts, and public colleges located within the local service delivery area. Each board shall appoint an education advisory group made up of high-level administrators within local educational institutions, workforce development board members, other employers, labor, academic educators, and parents of public school pupils.

Sec. 410. (1) The department shall have at least 1 disabled veterans outreach program specialist or local veterans employment representative assigned to each Michigan works! service center on a full- or part-time basis during hours of operation.

(2) The department shall ensure that each Michigan works! service center shall have the necessary equipment to allow the disabled veterans outreach specialist or local veterans employment representative to perform his or her duties.

(3) The department shall require each Michigan works! service center to have an employee available to ask each individual who requires intensive services whether that individual is a veteran and to refer each veteran to the disabled veterans outreach program specialist or local veterans employment representative on duty at the time.

(4) The department shall require that each Michigan works! service center shall have posted in a conspicuous place within the office a notice advising veterans that a disabled veterans outreach program specialist or a local veterans employment representative is available to assist him or her.

(5) The department shall require each Michigan works! service center to provide free mediated services to employers wishing to hire a veteran.

(6) The department shall continue to make the appropriate placement of veterans and disabled veterans a priority.

Sec. 414. The department may carry into the succeeding fiscal year unexpended federal pass-through funds to local institutions and governments that do not require additional state matching funds. Federal pass-through funds to local

institutions and governments that are received in amounts in addition to those included in part 1 and that do not require additional state matching funds are appropriated for the purposes intended.

Sec. 415. Of the amounts appropriated in part 1 for postsecondary education, private occupational school license fees shall fund related administrative costs of the proprietary schools oversight unit within the department.

Sec. 417. The department is appropriated an amount not to exceed $100,000.00 from collection of defaulted loans under the future faculty program in the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks programs to offset costs of administering the loan collections.

Sec. 418. From the funds appropriated in part 1 for postsecondary education, the department shall compile data from each university that receives funding for the future faculty program within the King-Chavez-Parks initiative on employment outcomes for program participants. The report shall be distributed to the house and senate appropriations committees, the fiscal agencies, and the state budget office by February 1 of each year. The report shall include data from each participating university covering the most recently completed fiscal year. The data shall include all of the following:

(a) The number of participants receiving support under the program.

(b) The number of participants obtaining full-time employment.

(c) The number of participants obtaining full-time employment in college faculty positions.

(d) The number of participants obtaining full-time employment in college faculty positions within the university through which they received future faculty program support for graduate studies.

Sec. 421. The King-Chavez-Parks initiative shall be marketed by the department to Michigan parents and high school and college students, to promote the benefits and the availability of the college day, select student support services, college/university partnership, visiting professors, Morris Hood, Jr. educator development, and future faculty programs. The department shall provide electronic notification of the location of the report on the Internet to the subcommittees by December 30 of each year, identifying all efforts taken to market these programs, including, but not limited to, the amount of funding allocated for this purpose, the fund source, and any expenditures or encumbrances relating to this marketing effort.

Sec. 425. The department shall work cooperatively with the department of civil service to identify state employees who will lose their jobs as a result of an agency or program being reorganized, modified, or eliminated and shall develop training programs and provide training to these individuals that will provide them an opportunity and skills necessary to secure new employment within state government or the private sector. It shall be a priority of the department to provide training and employment opportunities to these individuals through their employment service locations.

Sec. 426. From the funds appropriated in part 1 to workforce training programs subgrantees, the department shall allocate sufficient funds to the Michigan works! service centers to allow these centers to remain fully operational.

Sec. 427. The youth low-vision program is considered the payer of last resort. Other available public or private insurance coverage, including Medicaid or MIChild, and special education funds, shall be exhausted prior to using any funds appropriated in part 1 to purchase low-vision devices or equipment for an individual.

Sec. 429. (1) As a condition for receipt of the funds appropriated in part 1, Focus: HOPE shall submit a report on the use of the grant's funds appropriated in part 1 to the chairs of the subcommittees, the fiscal agencies, and the state budget office that includes, but is not limited to, the following:

(a) Detailed expenditures for administration including salaries and wages of employees.

(b) Amount allocated for education and training programs including number of students served by each program.

(c) Amount allocated for job search assistance and career planning including the number of students served by each program.

(d) Detailed expenditures for any contracts entered into with the use of these funds.

(e) Detailed expenditures for any program enhancements including number of new hires and capital expenditures.

(2) The report shall be submitted on or before January 31.

ARTICLE 13

MICHIGAN STRATEGIC FUND

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the Michigan strategic fund for the fiscal year ending September 30, 2007, from the funds indicated in this part, the following:

MICHIGAN STRATEGIC FUND

APPROPRIATION SUMMARY:		
Full-time equated classified positions	152.0	
GROSS APPROPRIATION	$	80,479,800
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		78,600
ADJUSTED GROSS APPROPRIATION	$	80,401,200

		For Fiscal Year Ending Sept. 30, 2007
Federal revenues:		
Total federal revenues		47,687,000
Special revenue funds:		
Total local revenues		0
Total private revenues		700,000
Total local and private revenues		700,000
Total other state restricted revenues		5,000
State general fund/general purpose	$	32,009,200
Sec. 102. MICHIGAN STRATEGIC FUND		
Full-time equated classified positions 152.0		
Administration—22.0 FTE positions	$	2,451,000
HR optimization user charges		17,300
Job creation services—130.0 FTE positions		17,496,000
Michigan promotion program		5,717,500
Economic development job training grants		9,798,000
Community development block grants		45,000,000
GROSS APPROPRIATION	$	80,479,800
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDEQ, air quality fees		78,600
Federal revenues:		
DOL-ETA, employment service		300,000
HUD-CPD, community development block grant		47,387,000
Special revenue funds:		
Private - special project advances		700,000
Industry support fees		5,000
State general fund/general purpose	$	32,009,200

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is $32,014,200.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is $9,798,000.00 from the entire appropriation for economic development job training grants.

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

Sec. 203. As used in this article:

(a) “DOL-ETA” means the United States department of labor, employment and training administration.

(b) “FTE” means full-time equated.

(c) “Fund” means Michigan strategic fund.

(d) “GF/GP” means general fund/general purpose.

(e) “HUD” means the United States department of housing and urban development.

(f) “HUD-CPD” means HUD community planning and development.

(g) “IDG” means interdepartmental grant.

(h) “MDEQ” means the Michigan department of environmental quality.

(i) “MDLEG” means the Michigan department of labor and economic growth.

(j) “MEDC” means the Michigan economic development corporation, which is the public body corporate created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by contractual interlocal agreement effective April 5, 1999, between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund.

(k) “PA” means public act.

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

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

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

Sec. 208. Unless otherwise specified, the fund shall use the Internet to fulfill the reporting requirements of this article. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on the Internet or Intranet site.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality.

Sec. 210. The chair of the fund shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The chair of the fund shall strongly encourage firms with which the fund contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 212. The fund shall receive and retain copies of all reports funded from appropriations in part 1. The fund shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

Sec. 213. From the funds appropriated in part 1 for information technology, the departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the fund and the department of information technology.

Sec. 214. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 217. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2007 shall be limited to situations in which 1 or more of the following conditions apply:

(a) The travel is required by legal mandate or court order or for law enforcement purposes.

(b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.

(c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.

(d) The travel is necessary to comply with federal requirements.

(e) The travel is necessary to secure specialized training for staff that is not available within this state.

(f) The travel is financed entirely by federal or nonstate funds.

(2) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the house and senate appropriations committees.

(3) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the chairs and members of the house and senate appropriations committees, the fiscal agencies, and the state budget director. The report shall include the following information:

(a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

(d) A brief statement of the reason for each travel occurrence.

(e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

(f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 219. The fund shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

MICHIGAN STRATEGIC FUND

Sec. 1001. (1) The appropriation in part 1 to the fund for economic development job training shall be expended in 2 categories: the business response program for employee training grants that maintain or attract permanent jobs for Michigan residents and the manufacturing competitiveness program for grants to fund collaborative efforts that increase the competitiveness of multiple companies within a grant. The business response program is allocated up to $6,532,000.00, and the manufacturing competitiveness program is allocated up to $3,266,000.00 not to exceed the part 1 appropriation for this program in its entirety. The fund has the authority to reallocate these amounts during the fiscal year dependent on business demand and economic conditions.

(2) Not more than $800,000.00 of the total grant may be expended for administrative costs. 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 to the fund for economic development job training 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 for economic development job training grants, at least 75% of the funds shall be awarded to community colleges or a consortium of community colleges and other eligible applicants pursuant to subsection (5).

(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.

(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.

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

(d) In addition, for the manufacturing competitiveness program, the following criteria will receive priority: strong level of collaboration and cooperation and demonstration of new techniques, systems, and processes of value to the affected companies.

(9) Participants in economic development job training programs shall be 16 years or older and not enrolled and counted in membership in a school district, intermediate school district, or community college.

(10) A recipient of a grant under this section shall not charge tuition or fees to participants in the program funded by the 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 under the business response program, the business receiving the benefit of the training shall provide a minimum of 20% of the program costs in matching funds as necessitated by the program. For training delivered under the manufacturing competitiveness program, 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.

(14) The fund shall provide to the state budget director and the fiscal agencies by May 1 and November 1 of each year a report on the economic development job training grants. The report due by May 1 shall provide the information described in this subsection for each grant or contract awarded during the preceding 2 quarters of the state fiscal year.

The report due by November 1 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) Of the funds appropriated in part 1 for economic development job training grants, the fund shall not use these funds to finance the startup or in any way subsidize any private distributor of liquor products in Michigan.

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

Sec. 1002. The Michigan growth capital fund shall be used to develop the technology business sector in Michigan. The Michigan growth capital fund will be used to encourage private and public investment in the technology business sector, and all of the following apply:

(a) An applicant must match state funds on a 1:1 basis.

(b) Eligible uses of the Michigan growth capital fund include investments in organizations and programs that promote the development of new industry sectors in Michigan; inducements to attract additional venture capital funds to finance technology development; support organizations, initiatives, or events that promote entrepreneurship; provide match for university federal research grants; and support technology transfer and commercialization programs with universities and the private sector.

(c) The Michigan economic development corporation shall administer the Michigan growth capital fund.

(d) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination thereof or interest thereon, originally distributed as part of the Michigan growth capital fund, shall be received, held, and applied by the fund for the purposes described in this section.

(e) The Michigan economic development corporation shall provide an annual report on the status of the Michigan growth capital fund to the subcommittees, the fiscal agencies, and the state budget office by January 31.

Sec. 1003. Travel Michigan may establish and collect a fee to cover the cost of materials and processing of photographic prints, slides, videotapes, and travel product database information that are requested by the media and other segments of the public and private sectors. The fees collected shall be appropriated for all expenses necessary to purchase and distribute these photographic prints, slides, videotapes, and travel product database information. The funds are available for expenditure when they are received by the department of treasury.

Sec. 1004. Travel Michigan may receive and expend private revenue related to the use of the “Michigan Great Lakes. Great Times.” copyrighted slogan and image. This revenue may come from the direct licensing of the name and image or from the royalty payments from various merchandise sales. Revenue collected is appropriated for the marketing of the state as a travel destination. The funds are available for expenditure when they are received by the department of treasury.

Sec. 1005. The fund shall submit on or before May 1 and November 1 to the subcommittees, state budget office, and the fiscal agencies a listing of all grants which have been awarded by the fund or by the Michigan economic development corporation from the funds appropriated in part 1. The list shall include all of the following:

(a) The name of the recipient.

(b) The amount awarded to the recipient.

(c) The purpose of the grant.

Sec. 1006. (1) The fund shall provide reports to the relevant subcommittees, the state budget director, and the fiscal agencies concerning the activities of the Michigan economic development corporation grants and investment programs financed from the fund using investment or Indian gaming revenues. The report shall provide a list of individual grants and loans made from the fund. The report shall include, but not be limited to, the following programs funded in part 1:

(a) Travel Michigan.

(b) Michigan business development.

(c) Global business development.

(d) Small, minority, and disabled business services.

(e) Community development block grants.

(f) Strategic fund administration.

(g) Renaissance zones.

(h) Emerging business sectors and roundtables.

(i) Business and clean air ombudsman.

(j) Economic development job training grants.

(k) Community assistance team.

(*l*) Technology tri-corridor.

(m) Any other programs of the fund.

(2) The reports in subsection (1) shall be submitted by January 1. The report for each program in subsection (1)(a) through (m) shall include details on the actual spending and number of FTEs for that program for the previous fiscal year.

Sec. 1007. As a condition of receiving funds under part 1, any interlocal agreement entered into by the fund shall include language which states that if a local unit of government has a contract or memorandum of understanding with a private economic development agency, the Michigan economic development corporation will work cooperatively with that private organization in that local area.

Sec. 1008. (1) Of the funds appropriated to the fund or through grants to the Michigan economic development corporation, no funds shall be expended for the purchase of options on land or the purchase of land unless at least 1 of the following conditions applies:

(a) The land is located in an economically distressed area.

(b) The land is obtained through a purchase or exercise of an option at the invitation of the local unit of government and local economic development agency.

(2) Consideration may be given to purchases where the proposed use of the land is consistent with a regional land use plan, will result in the redevelopment of an economically distressed area, can be supported by existing infrastructure, and will not cause shifts in population away from the area's population centers.

(3) As used in this section, "economically distressed area" means an area in a city, village, or township that has been designated as blighted; a city, village, or township that shows negative population change from 1970 and a poverty rate and unemployment rate greater than the statewide average; or an area certified as a neighborhood enterprise zone.

Sec. 1009. The money appropriated in part 1 to the fund is subject to the condition that none is spent for premiums or advertising material involving personal effects or apparel including, but not limited to, T-shirts, hats, coffee mugs, or other promotional items, except travel Michigan.

Sec. 1010. (1) From the general fund/general purpose appropriations in part 1 to the fund and granted or transferred to the Michigan economic development corporation, any unexpended or unencumbered balance shall be disposed of in accordance with the requirements in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, unless carryforward authorization has been otherwise provided for.

(2) Any encumbered funds shall be used for the same purposes for which funding was originally appropriated in this article.

Sec. 1011. (1) As a condition of receiving funds under part 1, the fund shall ensure that the MEDC and the fund comply with all of the following:

(a) The freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(b) The open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(c) Annual audits of all financial records by the auditor general or his or her designee.

(d) All reports required by law to be submitted to the legislature.

(2) If the MEDC is unable for any reason to perform duties under this article, the fund may exercise those duties.

Sec. 1012. As a condition for receiving the appropriations in part 1, any staff of the Michigan economic development corporation involved in private fund-raising activities shall not be party to any decisions regarding the awarding of grants or tax abatements from the fund, the Michigan economic development corporation, or the Michigan economic growth authority.

Sec. 1013. (1) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination thereof or interest thereon, originally distributed as part of the core communities fund, shall be received, held, and applied by the fund for the purposes described in this article.

(2) The fund shall provide an annual report on the status of this fund. The report shall be provided to the subcommittees, the fiscal agencies, and the state budget office by January 31.

Sec. 1014. (1) The funding appropriated in part 1 of 2000 PA 291 for the Michigan core communities fund may be used to create an urban revitalization infrastructure program in the fund for economic development awards to create new jobs or contribute to redevelopment and encourage private investment in core communities.

(2) Awards may be provided to qualified local governmental units as defined in the obsolete property rehabilitation act, 2000 PA 146, MCL 125.2781 to 125.2797, or certified technology parks, as defined in the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174.

(3) Awards can be used for land and property acquisition and assembly, demolition, site development, utility modifications and improvements, street and road improvements, telecommunication infrastructure, site location and relocation, infrastructure improvements, and any other costs related to the successful development and implementation of core community or certified technology park projects, at the discretion of the Michigan economic development corporation.

(4) Funding may be provided in the form of loans, grants, sales or cash flow participation agreements, guarantees, or any combination of these. A cash match of at least 10%, or local repayment guarantee with a dedicated funding source, is required. Priority shall be given to projects which are integrated with existing economic development programs, and to projects in proportion to the amount that local matching rates exceed 10%.

(5) The Michigan economic development corporation shall have all administrative responsibility for the Michigan core communities fund and shall establish application and application scoring criteria and approve awards. The Michigan economic development corporation may utilize up to 1/2 of 1% of the fund for administrative purposes.

(6) Funds will be awarded through an open competitive process based on criteria including the following: project impact, project marketability, lack of adequate infrastructure or land assembly financing sources, local administrative capacity, and the level of local matching funds. Awardees shall agree to expedite the local development process, such as fast-track permitting procedures, streamlined regulatory requirements, standardized construction and building codes, and the use of competitive construction permitting fees.

(7) No single applicant shall be awarded more than $10,000,000.00 per project.

(8) Fifteen days prior to the award of the funds, notification shall be provided to the speaker of the house of representatives, the senate majority leader, the members of the house and senate appropriations committees, the fiscal agencies, and the state budget director.

(9) Funds shall not be awarded for any of the following purposes:

(a) Land sited for use as, or support for, a gaming facility.

(b) Land or other facilities owned or operated by a gaming facility.

(c) Publicly owned land or facilities which may directly or indirectly support a gaming facility.

(10) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination thereof or interest thereon, originally distributed as part of the core communities fund, shall be received, held, and applied by the fund for the purposes described in this part.

(11) The fund shall provide an annual report on the status of this fund. The report shall be provided to the subcommittees, the fiscal agencies, and the state budget office by January 31.

Sec. 1015. It is the intent of the legislature that the members of the executive committee of the corporation board of the MEDC be subject to the advice and consent of the senate.

Sec. 1016. The Michigan economic development corporation shall work with the office of the auditor general to implement procedures to annually audit the number of jobs claimed to be created by firms receiving Michigan economic growth authority grants, and all other claims of job creation for which MEDC has provided tax credits or other economic incentives.

Sec. 1017. The Michigan economic development corporation shall report on the number of individuals it employs with an annual salary of $80,000.00 or more to the subcommittees, the fiscal agencies, and the state budget office by October 31, 2007. The report shall include the name, the job title, and a description of the duties and responsibilities of all such employees.

Sec. 1018. From the funds appropriated in part 1 for the Michigan promotion program, the Michigan economic development corporation shall contract with a state research university in Michigan to conduct a scientific study of the return on investment of state tourism advertising expenditures. The results of this study shall be reported to the subcommittees, the fiscal agencies, and the state budget office by September 30, 2007.

Sec. 1019. (1) As a condition of receiving the funds appropriated in part 1, the fund shall ensure that the Michigan economic development corporation and the fund promulgate or create no guidelines, rules, standards, protocols, or other similar mandates that would prevent a firm, which otherwise qualifies for Michigan economic growth authority tax credits, from receiving such credits because the new employees who fill qualified new jobs as defined in the Michigan economic growth authority act of 1995, 1995 PA 24, MCL 207.801 to 207.810, are leased from a professional employer organization.

(2) For purposes of this section, a professional employer organization is defined as an organization that provides the management and administration of the human resources and employer risk of another entity by contractually assuming substantial employer rights, responsibilities, and risk through a professional employer agreement that establishes an employer relationship with the leased officers or employees assigned to the other entity by doing all of the following:

(a) Maintaining the right of direction and control of the employees' work, although this responsibility may be shared with the other entity.

(b) Paying wages and employment taxes of the employees out of its own accounts.

(c) Reporting, collecting, and depositing state and federal employment taxes for the employees.

(d) Retaining the right to hire and fire employees.

ARTICLE 14

MILITARY AND VETERANS AFFAIRS

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of military and veterans affairs for the fiscal year ending September 30, 2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

APPROPRIATION SUMMARY:

Full-time equated unclassified positions.....7.0

		For Fiscal Year Ending Sept. 30, 2007
Full-time equated classified positions 1,015.0		
GROSS APPROPRIATION	$	122,902,600
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		1,664,600
ADJUSTED GROSS APPROPRIATION	$	121,238,000
Federal revenues:		
Total federal revenues		51,450,700
Special revenue funds:		
Total local revenues		1,253,100
Total private revenues		1,441,300
Total other state restricted revenues		26,452,700
State general fund/general purpose	$	40,640,200
Sec. 102. HEADQUARTERS AND ARMORIES (SAFETY, PREPARED FOR JOBS)		
Full-time equated unclassified positions 7.0		
Full-time equated classified positions 123.0		
Headquarters and armories—82.5 FTE positions	$	10,178,900
Human resources optimization user charge		60,900
Unclassified military personnel		660,300
Military appeals tribunal		900
Michigan emergency volunteers		5,000
State active duty		85,100
Challenge program—40.5 FTE positions		4,583,900
Homeland security		1,000,000
Military family relief fund		600,000
GROSS APPROPRIATION	$	17,175,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG, community health		100,000
IDG, challenge grant		253,800
IDG, state police		900,000
IDG, human services		410,800
Federal revenues:		
DOD-DOA-NGB		4,482,800
Special revenue funds:		
Rental fees		350,000
Mackinac Bridge authority		55,000
Private donations		800,100
Military family relief fund		600,000
Private - parent pay revenue		101,200
Local - school aid fund		1,253,100
State general fund/general purpose	$	7,868,200
Sec. 103. MILITARY TRAINING SITES AND SUPPORT FACILITIES (SAFETY)		
Full-time equated classified positions 200.0		
Military training sites and support facilities—200.0 FTE positions	$	20,627,800
Military training sites and support facilities test projects		100,000
GROSS APPROPRIATION	$	20,727,800
Appropriated from:		
Federal revenues:		
DOD-DOA-NGB		18,011,000
Special revenue funds:		
Test project fees		100,000
State general fund/general purpose	$	2,616,800
Sec. 104. DEPARTMENTWIDE APPROPRIATIONS (SAFETY)		
Departmentwide accounts	$	1,660,100
Special maintenance - state		151,200
Special maintenance - federal		5,300,000
Military retirement		2,973,800

		For Fiscal Year Ending Sept. 30, 2007
Counternarcotic operations		50,000
Starbase grant		900,000
GROSS APPROPRIATION	$	11,035,100
Appropriated from:		
Federal revenues:		
DOD-DOA-NGB		7,466,100
Federal counternarcotic revenues		50,000
State general fund/general purpose	$	3,519,000
Sec. 105. VETERANS SERVICE ORGANIZATIONS (VULNERABLE)		
American legion	$	886,000
Disabled American veterans		732,400
Marine corps league		336,300
American veterans of World War II and Korea		464,800
Veterans of foreign wars		886,000
Michigan paralyzed veterans of America		165,700
Purple heart		157,900
Veterans of World War I		100
Polish legion of American veterans		41,200
Jewish veterans of America		41,200
State of Michigan council - Vietnam veterans of America		159,500
Catholic war veterans		41,200
GROSS APPROPRIATION	$	3,912,300
Appropriated from:		
State general fund/general purpose	$	3,912,300
Sec. 106. GRAND RAPIDS VETERANS' HOME (HEALTH)		
Full-time equated classified positions 517.0		
Grand Rapids veterans' home—517.0 FTE positions	$	47,479,300
Board of managers		665,000
GROSS APPROPRIATION	$	48,144,300
Appropriated from:		
Federal revenues:		
DVA-VHA		14,836,400
HHS-Medicaid		398,500
HHS-Medicare		783,300
Special revenue funds:		
Private - veterans' home post and posthumous funds		415,000
Income and assessments		14,806,400
Military family relief fund		250,000
Lease revenue		35,000
State general fund/general purpose	$	16,619,700
Sec. 107. D.J. JACOBETTI VETERANS' HOME (HEALTH)		
Full-time equated classified positions 159.0		
D.J. Jacobetti veterans' home—159.0 FTE positions	$	15,215,600
Board of managers		275,000
GROSS APPROPRIATION	$	15,490,600
Appropriated from:		
Federal revenues:		
DVA-VHA		4,512,300
HHS-Medicare		388,700
HHS-Medicaid		92,900
Special revenue funds:		
Private - veterans' home post and posthumous funds		125,000
Military family relief fund		150,000
Income and assessments		4,840,400
State general fund/general purpose	$	5,381,300
Sec. 108. VETERANS' AFFAIRS DIRECTORATE (VULNERABLE)		
Full-time equated classified positions 16.0		
Veterans' affairs directorate administration—3.0 FTE positions	$	326,000

		For Fiscal Year Ending Sept. 30, 2007
Veterans' trust fund administration—13.0 FTE positions		1,183,300
Veterans' trust fund grants		3,746,500
GROSS APPROPRIATION	$	5,255,800
Appropriated from:		
Special revenue funds:		
Michigan veterans' trust fund		4,929,800
State general fund/general purpose	$	326,000
Sec. 109. INFORMATION TECHNOLOGY (SAFETY)		
Information technology services and projects	$	1,161,700
GROSS APPROPRIATION	$	1,161,700
Appropriated from:		
Federal revenues:		
DOD-DOA-NGB		113,000
DVA-VHA		306,800
HHS-Medicare		8,900
Special revenue funds:		
Income and assessments		336,100
State general fund/general purpose	$	396,900

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is $67,092,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is $120,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS		
MILITARY TRAINING SITES AND SUPPORT FACILITIES		
Payments in lieu of taxes	$	70,000
MICHIGAN VETERANS' TRUST FUND		
County counselor travel expenses	$	50,000
TOTAL	$	120,000

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

Sec. 203. As used in this article:

(a) "Department" means the department of military and veterans affairs.

(b) "Director" means the director of the department of military and veterans affairs.

(c) "DOD" means the United States department of defense.

(d) "DOD-DOA-NGB" means the DOD department of the army, national guard bureau.

(e) "DVA" means the United States department of veterans' affairs.

(f) "DVA-VHA" means the DVA veterans' health administration.

(g) "FTE" means full-time equated.

(h) "HHS" means the United States department of health and human services.

(i) "IDG" means interdepartmental grant.

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

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

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

Sec. 207. Sixty days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 30 months.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this article. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

Sec. 210. The director of each department receiving appropriations in part 1 shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 211. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow all federal guidelines and state laws regarding short-term and long-term retention of records.

Sec. 212. (1) Of the funds appropriated in part 1 for military training sites and support facilities, there shall be established a Michigan national guard education assistance program. Disbursements to the educational assistance program shall not exceed $1,100,000.00 without legislative approval. Under the program, a member of the national guard who is in active service and who enrolls as a full- or part-time student at a public or private state college or university may be eligible to receive up to an equivalent of 50% of the total cost of tuition not to exceed $2,000.00, as education assistance, in any academic year.

(2) As used in this section, an eligible person means a member of the Michigan national guard who is in active service, as defined in section 105 of the Michigan military act, 1967 PA 150, MCL 32.505. An eligible person does not include a member of the Michigan national guard or air national guard who is absent without leave or who is under charges as described in the Michigan code of military justice of 1980, 1980 PA 523, MCL 32.1001 to 32.1148.

(3) The department of military and veterans affairs, office of the adjutant general shall administer the education assistance program and prescribe forms and procedures to effectively carry out the education assistance program.

(4) An eligible person shall apply to the department of military and veterans affairs, office of the adjutant general for education assistance and shall provide evidence of attendance and completion of the course of study with a grade of at least 2.0 on a 4.0 scale, or its equivalent. The adjutant general shall approve the application for reimbursement if the applicant meets the definition of an eligible person under subsection (2) and other criteria as established by the adjutant general.

(5) The education assistance program applies to any course of instruction that is included in an associate, undergraduate, or postgraduate degree program offered by a college or university of this state.

(6) The education assistance program applies to an eligible person notwithstanding any other educational incentive or benefit received by the eligible person under any other educational assistance program provided by any other state.

(7) An eligible person who successfully completes the course of study with a grade of at least 2.0 on a 4.0 scale, or its equivalent, shall be eligible for reimbursement.

(8) The department of military and veterans affairs may use funds from the appropriated funds to administer the education assistance program.

(9) Reimbursed members who do not complete their national guard obligation shall pay the state for money received from the state for tuition. Members who fail to repay the state within the time limits established by the adjutant general shall be indebted to the state. The department shall work in conjunction with the department of treasury for inclusion in the tax intercept program for amounts due the state.

(10) A portion of the funds for the Michigan national guard education assistance program may be used by the department for the purpose of promoting the program and for encouraging those persons the department wishes to have enlist or reenlist in the Michigan national guard.

Sec. 213. The department shall consult with the house and senate appropriations subcommittees on military and veterans affairs regarding the projected closing or consolidation of any national guard armories.

Sec. 214. It is the intent of the legislature that, should the necessary legislation be enacted and funding become available, funds be appropriated for state military cemeteries in Crawford and Dickinson Counties.

Sec. 221. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. These user fees shall be subject to provisions of an interagency agreement between the departments and agencies and the department of information technology.

Sec. 223. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 225. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2007 shall be limited to situations in which 1 or more of the following conditions apply:

(a) The travel is required by legal mandate or court order or for law enforcement purposes.

(b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.

(c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.

(d) The travel is necessary to comply with federal requirements.

(e) The travel is necessary to secure specialized training for staff that is not available within this state.

(f) The travel is financed entirely by federal or nonstate funds.

(2) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the senate and house of representatives standing committees on appropriations.

(3) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the chairs and members of the senate and house of representatives standing committees on appropriations, the fiscal agencies, and the state budget director. The report shall include the following information:

(a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

(d) A brief statement of the reason for each travel occurrence.

(e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

(f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 226. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 227. Sixty days prior to the public announcement of the intention to sell any department property, the department shall submit notification of that intent to the appropriate senate and house appropriations subcommittees and the senate and house fiscal agencies.

HEADQUARTERS AND ARMORIES

Sec. 301. The department may charge reasonable rental and equipment usage fees for renting an armory or using the distance learning network. The fee shall include the cost of overtime compensation, insurance coverage, and any maintenance required.

Sec. 302. (1) The funds appropriated in this article for private donations to the challenge program shall be considered state restricted revenue, and unexpended funds remaining at the close of the fiscal year shall not lapse to the general fund but shall be carried forward to the subsequent fiscal year.

(2) The department shall make every effort to identify alternative sources of revenue to replace the general fund/general purpose funding provided in this article for the challenge program.

(3) The department may charge a parent or guardian of a participant in the challenge program a fee for participating in the program if the participant is a member of a family with an income that exceeds 200% of the federal poverty guidelines as published by the United States department of health and human services. The amount charged the parent or guardian shall not exceed the per student state share cost of administering the program. The parent or guardian shall be notified of any charge to be assessed under this subsection prior to enrollment of the child in the program.

Sec. 304. The department will partner with the department of human services to identify youth who may be eligible for the challenge program from those youth served by department of human services programs. These eligible youth shall be given priority for enrollment in the program.

VETERANS SERVICE ORGANIZATIONS

Sec. 501. (1) Money appropriated in part 1 for grants to veterans service organizations shall be used only for salaries, wages, related personnel costs, training, and equipment for accredited veteran service advocacy officers and necessary support and managerial staff. Training shall be provided for service advocacy officers and shall be conducted by accredited advocacy officers.

(2) To receive a grant from the money appropriated in part 1, a veterans service organization shall meet the following eligibility requirements:

(a) Be congressionally chartered by the United States congress.

(b) Be an active participating member of the Michigan veterans organizations' rehabilitation and veterans service committee and abide by its rules, guidelines, and programs.

(c) Demonstrate the receipt of monetary or service support from its own organization.

(d) Comply with the department's and the legislature's requirements of accounting audits, service work activity, accounting of recoveries, listing of volunteer hours, budget requests, and other requirements specified in subsection (3).

(e) For a veterans service organization founded after September 30, 1989, be in operation and providing service to Michigan veterans for not less than 2 years before receiving an initial state grant. During this 2-year period of time, the organization shall file a listing of service work activity and an accounting of recoveries with the department, the senate and house fiscal agencies, the senate and house of representatives appropriations subcommittees on military affairs, and the state budget office on forms as prescribed by the department.

(3) A veterans service organization receiving a grant from the money appropriated in part 1 shall file with the department an accounting of its expenditures, audited and certified by a certified public accountant, within 120 days after the organization's fiscal year end. Each organization shall provide a detailed budget request for the fiscal year ending September 30, 2008 to the department by November 15, 2006. Each veterans service organization shall provide 5 copies of a listing of all service activity, an accounting of recoveries, and a listing of volunteer hours for the fiscal year ending September 30, 2006 to the department by January 31, 2007. The listing of volunteer hours shall include the hours, services, and donations provided to residents of the Grand Rapids veterans' home and the D.J. Jacobetti veterans' home. Each veterans service organization shall provide a copy of the most recent and completed internal revenue service form 990 to the department at the end of the fiscal year ending September 30, 2006. A veterans service organization receiving a grant from the money appropriated in part 1 shall use the forms recommended by the Michigan veterans organizations rehabilitation and veterans service committee for filing reports required by this article. The department shall forward information required under this section to the senate and house fiscal agencies, the senate and house of representatives appropriations subcommittees on military affairs, and the state budget office.

(4) The veterans service directors committee and the department shall take steps to improve the coordination of veterans benefits counseling in the state to maximize the effective and efficient use of taxpayer dollars in this goal and to ensure that every veteran is served.

(5) To accomplish the goal of subsection (4), the veterans service directors committee and the department shall take steps to increase their responsibility in the administration, management, oversight, and outreach of the delivery of services to veterans. The veterans service directors committee and the department shall involve county veterans counselors and representatives from the Michigan veterans trust fund to work in concert to identify, implement, and evaluate steps to do all of the following:

(a) Increase the veterans service directors committee and the department's role in working directly with the United States department of veterans' affairs to enhance the delivery of services to Michigan veterans.

(b) Increase the number of initial claims filed with the United States department of veterans' affairs on behalf of veterans for service-connected disability or pension benefits. The veterans service directors committee and the department may work toward either an absolute increase of approved claims or an increase in the percentage of Michigan veterans with approved claims.

(c) Develop methods to increase rates of recovery paid by the United States department of veterans' affairs to Michigan veterans either by an increase in compensation paid per approved claim or increase in compensation paid on a per capita basis.

(d) Expand training opportunities for veterans service organization service officers.

(e) Increase either the number or percentage of Michigan veterans enrolled in the VA healthcare system.

(f) Publicize the availability, benefit, and value of burial in the Fort Custer and Great Lakes national cemeteries.

(g) Review each grant recipient's performance under the program and require that performance be a major consideration in the future funding of each grant recipient.

(h) Identify areas of redundancy which may exist among services provided by veterans service organizations grantees, Michigan veterans trust fund county committees, and county veterans counselors and provide a proposal on how any redundancies may be minimized and identify specific cost savings which could result.

(6) The veterans service directors committee and the department shall create a report of the efforts to complete the goals outlined in this section and shall provide suggestions on how a more effective and efficient veterans' benefits counseling program may best be designed for implementation for fiscal year 2007-2008. This report shall be delivered to the house and senate appropriations subcommittees no later than March 1, 2007.

VETERANS' HOMES

Sec. 601. Appropriations in this article for the Grand Rapids veterans' home and the D.J. Jacobetti veterans' home shall not be used for any purpose other than for veterans and veterans' families.

Sec. 602. The Grand Rapids veterans' home and the D.J. Jacobetti veterans' home, together with the department and the department of management and budget, shall produce and deliver to the senate and house of representatives appropriations subcommittees on state police and military affairs an annual written report. The report shall include an accounting of member populations and bed space available; a description and accounting of services and activities provided to members; financial information; current state nursing home licensure status; the steps required for Medicaid certification, including a listing of any personnel, equipment, supplies, or budgetary increases required; and whether or not steps are being taken toward Medicaid certification. The annual report shall be submitted to the senate and house of representatives appropriations subcommittees on military affairs no later than February 1, 2007.

Sec. 603. The money appropriated in this article for the boards of managers may be expended for facility improvements, the purchase and repair of equipment and furnishings, member services, and other purposes that benefit the Grand Rapids veterans' home and the D.J. Jacobetti veterans' home.

VETERANS' TRUST FUND

Sec. 703. By April 1, 2007, the department shall submit to the senate and house of representatives appropriations subcommittees on military affairs and the state budget office a detailed annual report of the Michigan veterans' trust fund for fiscal year 2005-2006. The report shall include information on grants provided from the emergency grant program, including details concerning the methodology of allocations, the selection of emergency grant program authorized agents, and a detailed breakdown of trust fund expenditures for that year. The report shall also provide an update on the department's efforts to reduce program administrative costs and restore the Michigan veterans trust fund corpus to its original amount of $50,000,000.00.

Sec. 704. The Michigan veterans affairs directorate administration and the Michigan veterans' trust fund administration shall take steps to assist the county veterans counselors of the state to obtain training necessary for the execution of their duties.

ARTICLE 17
STATE POLICE
PART 1
LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of state police for the fiscal year ending September 30, 2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF STATE POLICE

APPROPRIATION SUMMARY:		
Full-time equated unclassified positions 3.0		
Full-time equated classified positions 2,900.0		
GROSS APPROPRIATION	$	569,288,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		22,642,400
ADJUSTED GROSS APPROPRIATION	$	546,646,100
Federal revenues:		
Total federal revenues		169,305,000
Special revenue funds:		
Total local revenues		8,088,900
Total private revenues		80,300
Total state restricted revenues		119,873,200
State general fund/general purpose	$	249,298,700
Sec. 102. EXECUTIVE DIRECTION		
Full-time equated unclassified positions 3.0		
Full-time equated classified positions 39.0		
Unclassified positions	$	238,300
Executive direction—34.0 FTE positions		3,720,400
Auto theft prevention program—5.0 FTE positions		10,729,400
GROSS APPROPRIATION	$	14,688,100
Appropriated from:		
Special revenue funds:		
Auto theft prevention fund		10,729,400
State general fund/general purpose	$	3,958,700
Sec. 103. DEPARTMENTWIDE APPROPRIATIONS		
Special maintenance and utilities	$	447,600
Rent and building occupancy charges		9,039,600
Worker's compensation		2,917,000

		For Fiscal Year Ending Sept. 30, 2007
Fleet leasing		13,919,200
In-service training		850,000
Narcotics investigation funds		265,000
GROSS APPROPRIATION	$	27,438,400
Appropriated from:		
Interdepartmental grant revenues:		
IDG, training academy charges		255,200
IDT, Michigan justice training fund		850,000
Federal revenues:		
Federal narcotics investigation revenues		95,000
DOT		22,700
DHS		10,400
Special revenue funds:		
Forensic science reimbursement fee		90,600
Narcotics investigation revenues		170,000
State forensic laboratory fund		90,600
Criminal justice information center service fees		179,500
Secondary road patrol and training fund		2,900
Hazardous materials training center fees		73,500
Michigan justice training fund		5,800
Motor carrier fees		6,700
Highway safety fund		7,200
Traffic law enforcement and safety fund		14,200
State general fund/general purpose	$	25,564,100
Sec. 104. SUPPORT SERVICES		
Full-time equated classified positions 208.0		
Human resources—26.0 FTE positions	$	2,254,800
Human resources optimization user charges		173,600
Management services—112.0 FTE positions		11,910,800
Training administration—37.0 FTE positions		5,638,800
Communications—8.0 FTE positions		3,171,500
Budget and financial services—25.0 FTE positions		2,180,600
GROSS APPROPRIATION	$	25,330,100
Appropriated from:		
Interdepartmental grant revenues:		
IDT, auto theft funds		25,800
IDG, training academy charges		3,121,100
IDT, truck safety fund		4,900
IDG-MDOT, state trunkline fund		34,600
IDG-MDTR, casino gaming fees		33,400
IDG-MDTR, emergency telephone fund coordinator		411,200
IDG-MDTR, emergency telephone fund operations		411,200
IDG-MDOC, contract		1,039,600
Federal revenues:		
DOT		205,600
Special revenues funds:		
Local - LEIN fees		248,900
Highway safety fund		137,700
Auto theft prevention fund		4,900
Nuclear plant emergency planning reimbursement		3,400
Precision driving track fees		287,100
Criminal justice information center service fees		411,900
Traffic law enforcement and safety fund		237,800
Reimbursed services		1,326,800
Forensic science reimbursement fees		30,200
Motor carrier fees		170,100
State general fund/general purpose	$	17,183,900

	For Fiscal Year Ending Sept. 30, 2007
Sec. 105. HIGHWAY SAFETY PLANNING	
Full-time equated classified positions.....26.0	
State program planning and administration—14.0 FTE positions	$ 1,227,200
Grants to local governments and nonprofit organizations	4,500,000
Secondary road patrol program—2.0 FTE positions	14,024,700
Truck safety program—2.0 FTE positions	2,996,300
Highway traffic safety coordination—8.0 FTE positions	6,089,800
GROSS APPROPRIATION	$ 28,838,000
Appropriated from:	
Federal revenues:	
DOT	10,707,300
DOJ	573,200
Special revenue funds:	
Truck driver safety fund	2,996,300
Secondary road patrol and training fund	14,024,700
State general fund/general purpose	$ 536,500
Sec. 106. CRIMINAL JUSTICE INFORMATION CENTER	
Full-time equated classified positions.....94.0	
Criminal justice information center division—77.0 FTE positions	$ 10,679,600
Criminal records improvement—1.0 FTE position	4,745,600
Traffic safety—16.0 FTE positions	2,781,400
GROSS APPROPRIATION	$ 18,206,600
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDOS	320,900
IDG-MDOT, state trunkline fund	467,400
Federal revenues:	
DOJ	4,745,600
DOT	1,436,600
Special revenue funds:	
Traffic crash revenue	76,400
Sex offender registration fund	264,000
Criminal justice information center service fees	9,933,900
State general fund/general purpose	$ 961,800
Sec. 107. FORENSIC SCIENCES	
Full-time equated classified positions.....220.0	
Laboratory operations—180.0 FTE positions	$ 19,384,700
DNA analysis program—40.0 FTE positions	8,836,900
GROSS APPROPRIATION	$ 28,221,600
Appropriated from:	
Federal revenues:	
DOJ	3,966,100
Special revenue funds:	
Forensic science reimbursement fees	2,258,800
State forensic laboratory fund	1,766,300
State general fund/general purpose	$ 20,230,400
Sec. 108. MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS	
Full-time equated classified positions.....28.0	
Standards and training—22.0 FTE positions	$ 2,138,200
Justice training grants—4.0 FTE positions	9,096,200
Concealed weapons enforcement training	140,000
Training only to local units—2.0 FTE positions	845,700
Officer's survivor tuition program	48,500
Public safety officers benefit program	150,000
GROSS APPROPRIATION	$ 12,418,600
Appropriated from:	
Federal revenues:	
DOJ	180,600

		For Fiscal Year Ending Sept. 30, 2007
Special revenue funds:		
Secondary road patrol and training fund		845,700
Michigan justice training fund		9,218,000
Licensing fees		5,200
Concealed weapons enforcement fee		140,000
State general fund/general purpose	$	2,029,100
Sec. 109. EMERGENCY MANAGEMENT		
Full-time equated classified positions 72.0		
Emergency management planning and administration—55.0 FTE positions	$	4,614,900
Grants to local government		2,482,100
FEMA program assistance—3.0 FTE positions		1,012,100
Nuclear power plant emergency planning—6.0 FTE positions		1,288,900
Hazardous materials transportation—1.0 FTE position		583,800
Hazardous materials programs—7.0 FTE positions		121,753,200
GROSS APPROPRIATION	$	131,735,000
Appropriated from:		
Federal revenues:		
DOT		583,800
DHS		126,395,800
Special revenue funds:		
Nuclear plant emergency planning reimbursement		1,288,900
Hazardous materials training center fees		1,389,200
State general fund/general purpose	$	2,077,300
Sec. 110. POST UNIFORM SERVICES		
Full-time equated classified positions 1,580.0		
Uniform services—424.0 FTE positions	$	43,430,000
Security guards—15.0 FTE positions		1,054,700
Reimbursed services		1,628,000
At-post troopers—1,141.0 FTE positions		131,402,300
GROSS APPROPRIATION	$	177,515,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDMB, building occupancy charges		648,400
Federal revenues:		
DOJ		723,300
Special revenue funds:		
Highway safety fund		15,451,400
Traffic law enforcement and safety fund		37,803,000
State police service fees		1,628,000
State general fund/general purpose	$	121,260,900
Sec. 111. STATEWIDE FIELD OPERATIONS		
Full-time equated classified positions 49.0		
Operational support—34.0 FTE positions	$	3,178,600
Traffic services—10.0 FTE positions		3,741,000
Aviation program—5.0 FTE positions		1,143,100
GROSS APPROPRIATION	$	8,062,700
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDOC, contract		93,000
Federal revenues:		
DOT		1,760,100
Special revenue funds:		
Private donations		80,300
Rental of department aircraft		175,900
Drunk driving prevention and training fund		1,265,000
State general fund/general purpose	$	4,688,400

	For Fiscal Year Ending Sept. 30, 2007
Sec. 112. SPECIAL INVESTIGATIONS	
Full-time equated classified positions 370.0	
Criminal investigations—254.0 FTE positions	$ 32,144,300
Federal antidrug initiatives—62.0 FTE positions	11,157,800
Reimbursed services, materials, and equipment	2,613,600
Auto theft prevention—9.0 FTE positions	1,595,900
Casino gaming oversight—32.0 FTE positions	4,184,200
Fire investigation—13.0 FTE positions	1,385,000
Fire investigation training to locals	50,000
GROSS APPROPRIATION	$ 53,130,800
Appropriated from:	
Interdepartmental grant revenues:	
IDT, auto theft funds	1,299,800
IDG-MDTR, casino gaming fees	4,184,200
IDG-MDCH, tobacco tax	610,000
Federal revenues:	
Federal investigations - reimbursed services	742,700
DOJ	8,314,700
Federal narcotics investigation revenues	443,200
Special revenue funds:	
Local - reimbursed services	1,870,900
Narcotics investigation revenues	648,800
Forfeiture funds	450,400
State general fund/general purpose	$ 34,566,100
Sec. 113. MOTOR CARRIER ENFORCEMENT	
Full-time equated classified positions 214.0	
Motor carrier enforcement—106.0 FTE positions	$ 10,097,700
Truck safety enforcement team operations—10.0 FTE positions	1,284,900
Safety inspections—64.0 FTE positions	7,900,800
School bus inspections—16.0 FTE positions	1,340,000
Safety projects—18.0 FTE positions	2,044,500
GROSS APPROPRIATION	$ 22,667,900
Appropriated from:	
Interdepartmental grant revenues:	
IDT, truck safety fund	1,284,900
IDG-MDOT, state trunkline fund	7,430,900
Federal revenues:	
DOT	8,365,200
Special revenue funds:	
Local-school bus revenue	1,340,000
Motor carrier fees	4,246,900
State general fund/general purpose	$ 0
Sec. 114. INFORMATION TECHNOLOGY	
Information technology services and projects	$ 21,035,700
GROSS APPROPRIATION	$ 21,035,700
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDTR, casino gaming fees	81,800
IDG-MDOT, state trunkline fund	34,100
Federal revenues:	
DOT	33,100
Special revenue funds:	
Local - LEIN fees	3,591,400
Local - AFIS fees	37,700
Local - MPSCS subscriber fees	1,000,000
Motor carrier fees	16,100
State general fund/general purpose	$ 16,241,500

PART 2
PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is $369,171,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is $19,899,200.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF STATE POLICE		
OFFICE OF HIGHWAY SAFETY PLANNING		
Secondary road patrol program	$	13,884,500
MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS		
Training only to local units	$	650,200
Justice training grants		4,903,300
SPECIAL INVESTIGATIONS		
Fire investigation training for locals		50,000
SUPPORT SERVICES		
Communications	$	411,200
Total	$	19,899,200

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

Sec. 203. As used in this article:

(a) “AFIS” means the automated fingerprint identification system.

(b) “Department” means the department of state police.

(c) “DHS” means the United States department of homeland security.

(d) “DNA” means deoxyribonucleic acid.

(e) “DOJ” means the United States department of justice.

(f) “DOT” means the United States department of transportation.

(g) “FEMA” means the federal emergency management agency.

(h) “FTE” means full-time equated.

(i) “IDG” means interdepartmental grant.

(j) “IDT” means intradepartmental transfer.

(k) “LEIN” means law enforcement information network.

(*l*) “MCOLES” means the Michigan commission on law enforcement standards.

(m) “MDCH” means the Michigan department of community health.

(n) “MDMB” means the Michigan department of management and budget.

(o) “MDOC” means the Michigan department of corrections.

(p) “MDOS” means the Michigan department of state.

(q) “MDOT” means the Michigan department of transportation.

(r) “MDTR” means the Michigan department of treasury.

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

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

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

Sec. 207. At least 60 days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 30 months.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this article. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

Sec. 210. The director of each department receiving appropriations in part 1 shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both, for the department. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services or supplies, or both.

Sec. 211. It is the intent of the legislature that personnel of the department who request and are eligible for reimbursement of expenses related to the operation of the department be reimbursed from the appropriations provided in this article within 30 days after submitting a request, or the eligible personnel shall be paid an additional amount equal to 0.75% of the payment due. The department shall pay an additional amount equal to 0.75% of the payment due for the first month and each succeeding month or portion of a month the payment remains past due.

Sec. 213. (1) It is the intent of the legislature that the department shall not provide any subsidy for contractual services it provides.

(2) When the department provides contractual services to a local unit of government, the department shall be reimbursed for all costs incurred in providing the services, including, but not limited to, retirement and overtime costs.

(3) Contractual services provided to an entity other than a local unit of government may be provided by department personnel, but only on an overtime basis outside the normal work schedule of the personnel.

(4) This section does not apply to state agencies.

Sec. 214. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow all federal guidelines and state laws regarding short-term and long-term retention of records.

Sec. 215. Not later than January 1, 2007, the department shall report to the state police appropriations subcommittees of the house and senate and the house and senate fiscal agencies. The report shall contain the following information regarding the department's activities related to casino gaming oversight during fiscal year 2005-2006:

(a) The amount of money received and expended.

(b) The nature and structure of the casino gaming oversight unit.

(c) The positions and classifications of employees assigned.

(d) The number of full-time and part-time employees and the aggregate number of FTEs.

(e) The number of enlisted and civilian positions.

(f) The duties and responsibilities of the assigned employees.

(g) The immediate past position of the enlisted employees assigned.

Sec. 216. The department shall collect and computerize the vehicle identification number (VIN) of all vehicles that are entered into the state accident data collection system and make this and other vehicle information available to the public at cost. For bulk access to the accident records in which the VIN has been collected and computerized, the department shall make those records available to the public at cost, provided that the name and address have been excluded.

Sec. 217. From the funds appropriated in part 1, the department shall maintain a toll-free hotline in collaboration with the department of education. The toll-free hotline shall be operated 24 hours per day, 7 days per week, and shall provide students, school officials, and other individuals an opportunity to report specific threats of imminent school violence or other suspicious or criminal conduct by juveniles to the appropriate local law enforcement entities for investigation. The department may expend funds for the promotion of the hotline.

Sec. 218. (1) Funds appropriated in part 1 for at-post troopers shall only be expended for trooper salaries, wages, benefits, retirement, equipment, supplies, and other expenses directly related to state troopers assigned to general law enforcement duties at a department post, detachment, satellite office, or a resident trooper function.

(2) From the funds appropriated in part 1 for at-post troopers, a trooper school shall be conducted beginning not later than August 15, 2007 for the purpose of graduating not fewer than 50 new troopers with the goal of maintaining at-post trooper strength of at least 1,075 on September 30, 2007.

(3) The department shall submit quarterly written reports to the senate and house appropriations subcommittees on state police and military and veterans affairs no later than December 1, 2006, March 1, 2007, June 1, 2007, and September 1, 2007 which shall include a trooper strength report and the status of the department's plan for accomplishing the goal of subsection (2). If the department determines that insufficient appropriations exist under part 1 to accomplish the goal of subsection (2), the department shall submit a proposal outlining a plan to accomplish the goal including an accounting of any additional funding necessary to that end.

Sec. 219. The department of state police shall notify the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies not less than 180 days before recommending to close or consolidate any state police posts. The notification shall include a local and state impact study of the proposed post closure or consolidation.

Sec. 220. The department of state police, in keeping with its role as the general law enforcement agency of the state and as the law enforcement agency of last resort for communities that are either without local law enforcement resources or are seriously underserved by local law enforcement resources, shall provide general law enforcement assistance to those communities until adequate law enforcement services can be provided to those communities by other means.

Sec. 221. The department of state police may pursue entering into an agreement with Calhoun County to build a new facility in Marshall which would serve as a new state police post to replace the current state police post in Battle Creek.

Sec. 223. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2007 shall be limited to situations in which 1 or more of the following conditions apply:

(a) The travel is required by legal mandate or court order or for law enforcement purposes.

(b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.

(c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.

(d) The travel is necessary to comply with federal requirements.

(e) The travel is necessary to secure specialized training for staff that is not available within this state.

(f) The travel is financed entirely by federal or nonstate funds.

(2) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the senate and house of representatives standing committees on appropriations.

(3) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the chairs and members of the senate and house of representatives standing committees on appropriations, the fiscal agencies, and the state budget director. The report shall include the following information:

(a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

(d) A brief statement of the reason for each travel occurrence.

(e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

(f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 224. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 225. It is the intent of the legislature that the administration, working with the MCOLES, continue the long-held practice that all revenue made available to the department from the Michigan justice training fund be used solely for costs directly related to the delivery of Michigan justice training fund grants, so that in the future, eligible entities as provided under 1982 PA 302, MCL 18.421 to 18.429, will have a stable and accurate source of training funds.

Sec. 226. The department of state police, in cooperation with the department of information technology and others, shall take steps to encourage the development of state, local, and regional tactical interoperable communication plans with the ultimate goal being to ensure that effective and efficient communication interoperability between radio communication systems of local, regional, state, and federal agencies is established in every area of the state. The department shall provide a written report to the senate and house appropriations subcommittees on state police and military and veterans affairs no later than April 1, 2007 on the current status of reaching this objective. The report shall include an accounting of exactly where within the state desired interoperability has been achieved and what cooperative measures and use of technology were used to achieve this interoperability, and which areas of the state have not yet achieved such status. The report shall also include a description of what strategies need to be employed to ensure that the remaining areas of the state, and the state as a whole, will have a communication system with efficient and effective interoperability, particularly on occasions when a multijurisdictional response to an emergency is warranted.

Sec. 227. (1) From the funds appropriated in part 1, the department of state police is prohibited from transporting employees of institutions of higher education on state-owned aircraft.

(2) From the funds appropriated in part 1, the department is prohibited from transporting legislators or legislative staff on state-owned aircraft without prior approval from the senate majority leader or the speaker of the house of representatives, or both.

(3) From the funds appropriated in part 1, the department is prohibited from transporting local government employees on state-owned aircraft.

(4) It is the intent of the legislature that state elected officials use commercial or other private air service, unless air travel on state-owned aircraft is part of official state business.

(5) This section shall not apply to transportation that is related to law enforcement or homeland security activities.

Sec. 229. From the unexpended and unencumbered balance of the appropriation for the department contained in 2005 PA 159, it is the intent of the legislature that funds may be used in support of the state police retirement system for retirees who accrued overtime from 1957 through 1963. The funds shall be available for appropriation in the fiscal year ending September 30, 2007.

Sec. 230. From the unexpended and unencumbered balance of the appropriation for the department contained in 2005 PA 159, over and above that which is necessary to fulfill the objectives of section 229, shall be used toward the establishment of a trooper school. The funds shall be available for appropriation in the fiscal year ending September 30, 2007.

Sec. 232. The department shall place emphasis on recruiting MCOLES certified police officers for the trooper recruit school. Emphasis shall be given in the hiring process to those officers who are on layoff and possess valid MCOLES certification. Any emphasis given in the recruiting and selection process shall be consistent with the department's hiring standards and in accordance with civil service rules. The department shall report to the chairpersons of the senate and house of representatives standing committees on appropriations the results of its recruitment and selection process, including the actual number of certified officers selected for the recruit school by September 30, 2007.

INFORMATION TECHNOLOGY

Sec. 301. The money appropriated in part 1 for computer services shall be funded by LEIN user fees sufficient to pay 1/3 of the service and contract maintenance costs of the LEIN system.

Sec. 302. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. These user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 303. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 304. A portion of the funds appropriated in part 1 shall be used by the department to produce a written report detailing departmental policies regarding access to and use of information from the LEIN system. The report shall include a description of departmental measures to protect the security of information in the LEIN system including safeguards that would prevent unauthorized persons from obtaining information from the LEIN system. The department shall submit a copy of this report to the senate and house appropriations committees not later than April 1, 2007.

Sec. 305. The criminal justice information systems policy council shall encourage members of the law enforcement agencies in the state to be sensitive to, and note when necessary, activities or circumstances that may suggest the unauthorized access or misuse of information from the LEIN system. The criminal justice information systems policy council shall advise LEIN auditors, as a part of their audit of law enforcement agencies, to investigate in depth all suspected incidents of improper access or improper use of information from the LEIN system and determine whether or not those incidents were illegal. In those incidents that may be determined to be illegal, the executive secretary for the council shall determine whether those incidents were of a negligent or criminal nature. If an incident is determined to be an illegal act, the council shall inform the chairs of both the senate and house appropriations committees.

Sec. 306. (1) The department of state police, working with the criminal justice information systems policy council, shall implement procedures by which all probation information is placed on the LEIN system. The LEIN system shall include information on each probationer, including any probation conditions placed on a probationer and the name of the probation officer assigned to a probationer. The LEIN system shall also include any nonstandard probation terms.

(2) If the department determines that amendments to the code of criminal procedure, 1927 PA 175, MCL 760.1 to 777.69, are required to include all probation information on the LEIN system, the department shall deliver to members of the senate and house appropriations subcommittees on state police and military affairs amendments to the code of criminal procedure, 1927 PA 175, MCL 760.1 to 777.69, that, in the department's view, are necessary to accomplish this goal. These proposed amendments shall be delivered to subcommittee members not later than December 1, 2006.

Sec. 307. The department of state police shall serve as an active liaison between the department of information technology and local public safety agencies to facilitate the use of the Michigan public safety communications system towers by those local public safety agencies that have an interest in using the towers as a part of their own communications system. The department of state police shall deliver a written report to the senate and house appropriations subcommittees on state police and military and veterans affairs by April 1, 2007, which shall include an assessment of the progress toward establishing local public safety agency use of the Michigan public safety communications system towers, an accounting of problems that may be preventing local use of the towers, and any recommendations the department has that may foster this utilization.

Sec. 308. The department of state police shall report any LEIN fee increase to the senate and house appropriations subcommittees on state police and military and veterans affairs 60 days prior to the effective date of that increase. The report shall contain the following information: the current fee structure and the total revenue earned each year; the new fee structure and the total revenue it is expected to earn annually; the total annual cost of the LEIN system; and the total amount of LEIN fees paid by the department under both the old and the new structure.

HIGHWAY SAFETY PLANNING

Sec. 401. On a quarterly basis, the department shall report to the senate and house appropriations subcommittees on state police and military affairs on the status of assessments collected and authorized under section 629e of the Michigan vehicle code, 1949 PA 300, MCL 257.629e, for the purposes of supporting the secondary road patrol grant program. Each quarterly report shall contain updated information on collection levels, revised projected grant allotments to counties for the year, a comparison of projected collections and grant distribution levels with the funds appropriated in part 1 for the secondary road patrol program, and the extent collection levels have exceeded or failed to meet appropriated levels for the current fiscal year or expenditure levels from the previous fiscal year.

FORENSIC SCIENCES

Sec. 501. (1) The department shall distribute a copy of the department's protocol for retaining and purging DNA analysis samples and records to each police agency in this state.

(2) The department shall report to the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies when any changes to the department's DNA protocol are made.

Sec. 502. The department shall work with the department of community health, the Michigan health and hospital association, the Michigan state medical society, and the Michigan nurses association to ensure that the recommendations included in the "Standard Recommended Procedures for the Emergency Treatment of Sexual Assault Victims" are followed in the collection of evidence.

MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS

Sec. 601. The money appropriated to the MCOLES for maintenance and delivery of training to locals is provided in accordance with a state reimbursement policy in which 100% of the determined state reimbursement rate shall be distributed upon certification by the MCOLES.

Sec. 602. From the appropriations in part 1 for the training of new state troopers and other new police officers in the state and for the continuing education of all law enforcement officers in the state, sufficient funds shall be used to include curricula on the content and application of federal firearms laws, including the procedures necessary for law enforcement to turn appropriate cases over to the federal bureau of alcohol, tobacco, and firearms or any other applicable federal criminal justice agency.

EMERGENCY MANAGEMENT

Sec. 801. (1) The state director of emergency management may expend money appropriated under this article to call upon any agency or department of the state or any resource of the state to protect life or property or to provide for the health or safety of the population in any area of the state in which the governor proclaims a state of emergency or state of disaster under 1945 PA 302, MCL 10.31 to 10.33, or under the emergency management act, 1976 PA 390, MCL 30.401 to 30.421. The state director of emergency management may expend the amounts the director considers necessary to accomplish these purposes. The director shall submit to the state budget director as soon as possible a complete report of all actions taken under the authority of this section. The report shall contain, as a separate item, a statement of all money expended that is not reimbursable from federal money. The state budget director shall review the expenditures and submit recommendations to the legislature in regard to any possible need for a supplemental appropriation.

(2) In addition to the money appropriated in this article, the department may receive and expend money from local, private, federal, or state sources for the purpose of providing emergency management training to local or private interests and for the purpose of supporting emergency preparedness, response, recovery, and mitigation activity. If additional expenditure authorization in the Michigan administrative information network is approved by the state budget office under this section, the department and the state budget office shall notify the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies within 10 days after the approval. The notification shall include the amount and source of the additional authorization, the date of its approval, and the projected use of funds to be expended under the authorization.

Sec. 802. The department shall not make any purchases related to a statewide emergency management computer network unless authorized to do so by the director of the department of information technology.

Sec. 803. The department's emergency management division shall make every effort to ensure both of the following:

(a) That homeland security grants offered by the federal government and channeled through the department are allocated to first responder entities in the highest percentage possible.

(b) That homeland security grants awarded to the city of Detroit shall not be used to supplant city general funds designated to support first responder operations.

POST UNIFORM SERVICES

Sec. 901. State police enlisted personnel who are employed to enforce traffic laws as provided in section 629e of the Michigan vehicle code, 1949 PA 300, MCL 257.629e, shall not be prohibited from responding to crimes in progress or other emergency situations, and are responsible for protecting every citizen of this state from harm.

Sec. 902. For the fiscal year ending September 30, 2007, surplus funds of $8,500,000.00 in the state services fee fund are appropriated to the traffic law enforcement and safety fund.

STATEWIDE FIELD OPERATIONS

Sec. 1001. In addition to the appropriations in part 1 to the department of state police for the aviation program, the department is authorized to sell its aircraft and the proceeds from the sale are appropriated and may be applied to the renovation cost of replacement aircraft, cost of enhancing and maintaining existing aircraft, pilot training cost, and reimbursement for use of other state agency aircraft. If additional expenditure authorization in the Michigan administrative information network is approved by the state budget office under this section, the department and the state budget office shall notify the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies within 10 days after the approval. The notification shall include the amount and source of the additional authorization, the date of its approval, and the projected use of funds to be expended under the authorization.

Sec. 1002. Money privately donated to the department is appropriated under part 1 to be used for the purposes designated by the donor of the money. Money privately donated to the department's canine unit shall be used to purchase equipment and other items to enhance the operation of the canine unit. It is the intent of the legislature that money from private donations not supplant general fund appropriations.

SPECIAL INVESTIGATIONS

Sec. 1101. (1) There is sufficient money appropriated in part 1 to special investigations to ensure that the citizens in a service area of any state police post in the vicinity of a state prison do not experience a downgrading of state police services in their area. Special investigations shall be available by temporary or permanent assignment of a detective when either a temporary or permanent prison facility is opened.

(2) If the department is unable to comply with subsection (1) and there is a prison scheduled to open, the department shall provide troopers to serve as investigators on an interim basis.

Sec. 1102. From the funds appropriated in part 1 for special investigations, the department shall provide a report to the chairpersons of the senate and house of representatives standing committees on appropriations no later than April 1, 2007 concerning methamphetamine related criminal activities.

MOTOR CARRIER ENFORCEMENT

Sec. 1201. (1) The department shall report to the house and senate appropriations subcommittees on state police and the house and senate fiscal agencies by March 1, 2007 regarding the inspection of school buses and other motor vehicles under section 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil transportation act, 1990 PA 187, MCL 257.1839. The report shall include the following information regarding inspections conducted in calendar year 2006:

(a) The number of buses and vehicles inspected by the department.

(b) The number of buses and vehicles passing and failing inspection.

(c) The estimated number of buses and vehicles not inspected.

(2) If each school bus within a school system receives a 100% successful state inspection on its first inspection in a given year, the department shall award a certificate to that school system.

ARTICLE 18

TRANSPORTATION

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the state transportation department and certain state purposes designated in this article for the fiscal year ending September 30, 2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

STATE TRANSPORTATION DEPARTMENT

APPROPRIATION SUMMARY:		
Full-time equated unclassified positions	6.0	
Full-time equated classified positions	3,030.3	
GROSS APPROPRIATION		$ 3,442,167,300
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION		$ 3,442,167,300
Federal revenues:		
DOT, federal transit act		60,338,100
DOT-FHWA, highway research, planning, and construction		1,107,898,200
DOT-FRA, local rail service assistance		100,000

		For Fiscal Year Ending Sept. 30, 2007
DOT-FRA, rail passenger/HSGT		1,000,000
Total federal revenues		1,169,336,300
Special revenue funds:		
Total local revenues		47,500,000
Total private revenues		0
Total local and private revenues		47,500,000
Michigan transportation fund		1,094,650,400
Local bridge fund		33,455,300
Economic development fund		57,315,000
State trunkline fund		743,852,400
State aeronautics fund		14,934,000
Comprehensive transportation fund		260,781,700
Blue Water Bridge fund		17,342,200
Intercity bus equipment fund		1,000,000
Rail preservation fund		2,000,000
Total other state restricted revenues		2,225,331,000
State general fund/general purpose	$	0
Sec. 102. DEBT SERVICE (MOBILITY)		
State trunkline	$	152,300,400
Economic development		15,025,800
Local bridge fund		3,000,000
Blue Water Bridge fund		2,878,600
Airport safety and protection plan		5,000,000
Comprehensive transportation		29,415,200
GROSS APPROPRIATION	$	207,620,000
Appropriated from:		
Federal revenues:		
DOT-FHWA, highway research, planning, and construction		55,000,000
Special revenue funds:		
Comprehensive transportation fund		28,807,800
Local bridge fund		3,000,000
State trunkline fund		97,300,400
Blue Water Bridge fund		2,878,600
Economic development fund		15,025,800
State aeronautics fund		5,607,400
State general fund/general purpose	$	0
Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY SUPPORT SERVICES (MOBILITY)		
MTF grant to department of environmental quality	$	1,020,800
MTF grant to department of state for collection of revenue and fees		20,000,000
MTF grant to legislative auditor general		204,300
MTF grant to department of treasury		8,801,500
STF grant to department of attorney general		2,708,300
STF grant to department of civil service		2,700,000
STF grant to department of management and budget		1,366,500
STF grant to department of state police		7,967,000
STF grant to department of history, arts, and libraries		73,500
STF grant to department of treasury		212,900
STF grant to legislative auditor general		474,600
SAF grant to department of attorney general		151,400
SAF grant to department of civil service		55,000
SAF grant to department of management and budget		38,600
SAF grant to department of history, arts, and libraries		2,100
SAF grant to department of treasury		74,300
SAF grant to legislative auditor general		19,600
CTF grant to department of attorney general		153,400
CTF grant to department of civil service		95,000

		For Fiscal Year Ending Sept. 30, 2007
CTF grant to department of management and budget		62,400
CTF grant to department of history, arts, and libraries		3,400
CTF grant to department of treasury		2,400
CTF grant to legislative auditor general		25,200
GROSS APPROPRIATION	$	46,212,200
Appropriated from:		
Special revenue funds:		
Comprehensive transportation fund		341,800
Michigan transportation fund		30,026,600
State aeronautics fund		341,000
State trunkline fund		15,502,800
State general fund/general purpose	$	0
Sec. 104. EXECUTIVE DIRECTION (MOBILITY)		
Full-time equated unclassified positions 6.0		
Full-time equated classified positions 31.3		
Unclassified salaries	$	532,200
Asset management council		1,626,400
Commission audit—31.3 FTE positions		3,382,900
GROSS APPROPRIATION	$	5,541,500
Appropriated from:		
Special revenue funds:		
Michigan transportation fund		1,626,400
State trunkline fund		3,915,100
State general fund/general purpose	$	0
Sec. 105. BUSINESS SUPPORT (MOBILITY)		
Full-time equated classified positions 56.5		
Business support services—25.5 FTE positions	$	3,177,100
Property management		7,331,500
Human resources—22.0 FTE positions		2,487,800
Human resources optimization user charges		199,500
Economic development and enhancement programs—9.0 FTE positions		1,131,000
Worker's compensation		2,136,000
GROSS APPROPRIATION	$	16,462,900
Appropriated from:		
Special revenue funds:		
Economic development fund		485,300
State aeronautics fund		886,500
Comprehensive transportation fund		1,354,700
Michigan transportation fund		175,800
State trunkline fund		13,560,600
State general fund/general purpose	$	0
Sec. 106. INFORMATION TECHNOLOGY (MOBILITY)		
Information technology services and projects	$	27,876,500
GROSS APPROPRIATION	$	27,876,500
Appropriated from:		
Federal revenues:		
DOT-FHWA, highway research, planning, and construction		1,446,900
Special revenue funds:		
Blue Water Bridge fund		47,000
Comprehensive transportation fund		234,300
Economic development fund		37,100
Michigan transportation fund		243,400
State aeronautics fund		143,700
State trunkline fund		25,724,100
State general fund/general purpose	$	0
Sec. 107. FINANCE, CONTRACTS, AND SUPPORT SERVICES (MOBILITY)		
Full-time equated classified positions 255.5		
Financial operations—79.0 FTE positions	$	7,638,500

		For Fiscal Year Ending Sept. 30, 2007
Contract services—34.1 FTE positions		3,172,400
Technical and support services—75.4 FTE positions		8,645,300
Performance excellence—12.0 FTE positions		1,386,100
Welcome center operations—55.0 FTE positions		4,709,100
GROSS APPROPRIATION	$	25,551,400
Appropriated from:		
Special revenue funds:		
Michigan transportation fund		1,403,900
State trunkline fund		24,147,500
State general fund/general purpose	$	0
Sec. 108. TRANSPORTATION PLANNING (MOBILITY)		
Full-time equated classified positions 174.0		
Statewide planning services—122.0 FTE positions	$	12,913,200
Data collection services—52.0 FTE positions		5,480,700
Specialized planning services and local studies		16,798,200
Grants to regional planning councils		488,800
GROSS APPROPRIATION	$	35,680,900
Appropriated from:		
Federal revenues:		
DOT-FHWA, highway research, planning, and construction		22,000,000
Special revenue funds:		
State aeronautics fund		261,900
Comprehensive transportation fund		1,060,300
Michigan transportation fund		6,304,500
State trunkline fund		6,054,200
State general fund/general purpose	$	0
Sec. 109. DESIGN AND ENGINEERING SERVICES (MOBILITY)		
Full-time equated classified positions 1,516.4		
Engineering services—802.2 FTE positions	$	55,537,900
Program services—703.7 FTE positions		36,996,600
Intelligent transportation systems operations—10.5 FTE positions		9,977,600
GROSS APPROPRIATION	$	102,512,100
Appropriated from:		
Federal revenues:		
DOT-FHWA, highway research, planning, and construction		15,226,200
Special revenue funds:		
Michigan transportation fund		5,331,200
State trunkline fund		81,954,700
State general fund/general purpose	$	0
Sec. 110. HIGHWAY MAINTENANCE (MOBILITY)		
Full-time equated classified positions 825.6		
State trunkline operations—825.6 FTE positions	$	129,341,200
Contract operations		145,823,700
GROSS APPROPRIATION	$	275,164,900
Appropriated from:		
Special revenue funds:		
State trunkline fund		275,164,900
State general fund/general purpose	$	0
Sec. 111. ROAD AND BRIDGE PROGRAMS (MOBILITY)		
State trunkline federal aid and road and bridge construction	$	988,064,200
Local federal aid and road and bridge construction		259,689,000
Grants to local programs		33,000,000
Rail grade crossing		3,000,000
Local bridge program		30,455,300
County road commissions		649,447,500
Cities and villages		362,096,000
GROSS APPROPRIATION	$	2,325,752,000

	For Fiscal Year Ending Sept. 30, 2007
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction	1,014,225,100
Special revenue funds:	
Local funds	30,000,000
Blue Water Bridge fund	3,000,000
Michigan transportation fund	1,047,543,500
Local bridge fund	30,455,300
State trunkline fund	200,528,100
State general fund/general purpose	$ 0
Sec. 112. BLUE WATER BRIDGE (MOBILITY)	
Full-time equated classified positions 41.0	
Blue Water Bridge operations—41.0 FTE positions	$ 11,416,600
GROSS APPROPRIATION	$ 11,416,600
Appropriated from:	
Special revenue funds:	
Blue Water Bridge fund	11,416,600
State general fund/general purpose	$ 0
Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT (MOBILITY)	
Forest roads	$ 5,040,000
Rural county urban system	2,500,000
Target industries/economic redevelopment	18,863,400
Urban county congestion	7,681,700
Rural county primary	7,681,700
GROSS APPROPRIATION	$ 41,766,800
Appropriated from:	
Special revenue funds:	
Economic development fund	41,766,800
State general fund/general purpose	$ 0
Sec. 114. AERONAUTICS SERVICES (MOBILITY)	
Full-time equated classified positions 56.0	
Airport improvement services—30.0 FTE positions	$ 2,872,800
Aviation services—26.0 FTE positions	4,120,700
Air service program	700,000
GROSS APPROPRIATION	$ 7,693,500
Appropriated from:	
Special revenue funds:	
State aeronautics fund	7,693,500
State general fund/general purpose	$ 0
Sec. 115. PUBLIC TRANSPORTATION AND FREIGHT SERVICE (MOBILITY)	
Full-time equated classified positions 74.0	
Freight and safety services—36.0 FTE positions	$ 4,121,100
Passenger transportation services—38.0 FTE positions	4,111,100
GROSS APPROPRIATION	$ 8,232,200
Appropriated from:	
Federal revenues:	
DOT, federal transit act	738,100
Special revenue funds:	
Comprehensive transportation fund	5,499,000
Michigan transportation fund	1,995,100
State general fund/general purpose	$ 0
Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING (MOBILITY)	
Local bus operating	$ 166,624,000
Nonurban operating/capital	18,000,000
GROSS APPROPRIATION	$ 184,624,000
Appropriated from:	
Federal revenues:	
DOT, federal transit act	16,000,000

		For Fiscal Year Ending Sept. 30, 2007
Special revenue funds:		
Comprehensive transportation fund		166,624,000
Local funds		2,000,000
State general fund/general purpose	$	0
Sec. 117. INTERCITY PASSENGER AND FREIGHT (MOBILITY)		
Freight property management	$	1,000,000
Detroit/Wayne County port authority		500,000
Intercity bus equipment		2,800,000
Rail passenger service		8,200,000
Freight preservation and development		5,192,900
Rail infrastructure loan program		1,100,000
Intercity bus service development		4,850,000
Marine passenger service		400,000
Terminal development		1,751,300
GROSS APPROPRIATION	$	25,794,200
Appropriated from:		
Federal revenues:		
DOT, federal transit act		3,500,000
DOT-FRA, local rail service assistance		100,000
DOT-FRA, rail passenger/HSGT		1,000,000
Special revenue funds:		
Rail preservation fund		2,000,000
Intercity bus equipment fund		1,000,000
Comprehensive transportation fund		18,144,200
Local funds		50,000
State general fund/general purpose	$	0
Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT (MOBILITY)		
Specialized services	$	11,300,100
Municipal credit program		2,000,000
Bus capital		64,726,500
Van pooling		195,000
Service initiatives		1,200,000
Transportation to work		14,844,000
GROSS APPROPRIATION	$	94,265,600
Appropriated from:		
Federal revenues:		
DOT, federal transit act		40,100,000
Special revenue funds:		
Comprehensive transportation fund		38,715,600
Local funds		15,450,000
State general fund/general purpose	$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is $2,225,331,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is $1,304,085,600.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF TRANSPORTATION

Grants to local programs	$	33,000,000
Economic development fund		22,903,400
Grants to cities and villages		362,096,000
Grants to county road commissions		649,447,500
Local bridge fund		30,455,300
Grants to regional planning councils		488,800
Local bus operating		166,624,000
Bus capital		27,226,500

Marine passenger service	400,000
Detroit/Wayne County port authority	500,000
Municipal credit program	2,000,000
Specialized services	4,100,100
Transportation to work	4,844,000
Total payments to local units of government	$ 1,304,085,600

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

Sec. 203. As used in this article:

(a) "CTF" means comprehensive transportation fund.

(b) "Department" means the department of transportation.

(c) "DOT" means the United States department of transportation.

(d) "DOT-FHWA" means DOT, federal highway administration.

(e) "DOT-FRA" means DOT, federal railroad administration.

(f) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad administration, high-speed ground transportation.

(g) "EDF" means economic development fund.

(h) "FTE" means full-time equated.

(i) "MTF" means Michigan transportation fund.

(j) "RIF" means recreation improvement fund.

(k) "SAF" means state aeronautics fund.

(*l*) "STF" means state trunkline fund.

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

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

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

Sec. 207. At least 90 days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 6 months. As used in this section, "privatize" or "privatization" means the transfer of state highway maintenance functions or activities currently performed by department forces, or by boards of county road commissioners, county boards of commissioners, or local units of government under contract with the department, to private contractors.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this article. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality.

Sec. 210. The director of each department receiving appropriations in part 1 may take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall encourage firms with which the department contracts to subcontract with certified businesses in deprived and depressed communities for services, supplies, or both.

Sec. 211. The departments and state agencies receiving appropriations under this article shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

Sec. 258. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds

designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 259. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology-related services and projects. The user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 260. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2007 shall be limited to situations in which 1 or more of the following conditions apply:

(a) The travel is required by legal mandate or court order or for law enforcement purposes.

(b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.

(c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.

(d) The travel is necessary to comply with federal requirements.

(e) The travel is necessary to secure specialized training for staff that is not available within this state, or through the Internet, computer classes, or correspondence.

(f) The travel is financed entirely by federal or nonstate funds.

(2) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the house and senate appropriations committees.

(3) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the chairs and members of the house and senate appropriations committees, the fiscal agencies, and the state budget director. The report shall include the following information:

(a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

(d) A brief statement of the reason for each travel occurrence.

(e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

(f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 261. A department or state agency shall not take disciplinary action against an employee for communicating with a member of the legislature or their staff.

DEPARTMENTAL SECTIONS

Sec. 301. (1) The department may establish a fee schedule and collect fees sufficient to cover the costs to issue the permits that the department is authorized by law to issue upon request, and for fees associated with freedom of information requests. Unless otherwise authorized by statute, all fee revenue shall be credited to the state trunkline fund to recover the direct and indirect costs of receiving, reviewing, and processing the requests.

(2) A bridge authority shall hold 3 public hearings on an increase in any toll charged by the authority at least 30 days before the toll change will become effective. Two of the hearings shall be held within 5 miles of the bridge over which the bridge authority has jurisdiction. One hearing shall be held in Lansing. Public hearings held under this section shall be conducted in accordance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and shall be conducted so as to provide a reasonable opportunity for public comment, including both spoken and written comments.

Sec. 303. On request, the department shall provide to a legislator, in writing, a report on the amount of money to be received by each city and village and the county road commission of each county, that is included in whole or in part within the legislator's legislative district.

Sec. 304. If, as a requirement of bidding on a highway project, the department requires a contractor to submit financial or proprietary documentation as to how the bid was calculated, that bid documentation shall be kept confidential and shall not be disclosed other than to a department representative without the contractor's written consent. The department may disclose the bid documentation if necessary to address or defend a claim by a contractor.

Sec. 305. The department shall permit space on public passenger transportation properties to be occupied by public or private tenants on a competitive market rate basis. The department shall require that revenue from the tenants be placed in an account to be used to pay the costs to maintain the property.

Sec. 306. Biennially, in each even-numbered fiscal year, the auditor general shall conduct an audit of charges to transportation funds by state departments for the 2 preceding fiscal years. The auditor general shall prepare a detailed report, with recommendations and conclusions, including a list of services charged to transportation funds, the appropriateness of those charges, the cost allocation methodologies used in determining the level of funding, and any

unreimbursed costs. The report shall be provided to the senate and house of representatives committees on appropriations, the senate and house fiscal agencies, and the state budget director 9 months after publication of the state of Michigan comprehensive annual financial report.

Sec. 307. Before February 1 of each year, the department will provide to the legislature, the state budget office, and the house and senate fiscal agencies its rolling 5-year plan listing by county or by county road commission all highway construction projects for the fiscal year and all expected projects for the ensuing fiscal years.

Sec. 308. The department and local road agencies that receive appropriations under this article shall pursue compliance with contract specifications for construction and maintenance of state highways and local roads and streets. Work shall not be accepted and paid for until it complies with contract requirements. Contractors with unsatisfactory performance ratings shall be restricted from future bidding through the prequalification process established by the department or a local road agency. The department, county road commissions, and cities and villages shall report to the house of representatives and senate appropriations subcommittees on transportation, the senate and house fiscal agencies, and the state budget director on their respective activities under this section.

Sec. 309. The department shall reduce administrative costs and provide the maximum funding possible for construction projects.

Sec. 310. The department shall provide in a timely manner copies of the agenda and approved minutes of monthly transportation commission meetings to the members of the house and senate appropriations subcommittees on transportation, the house and senate fiscal agencies, and the state budget director.

Sec. 312. At the close of the fiscal year, any unencumbered and unexpended balance in the state trunkline fund shall remain in the state trunkline fund and shall carry forward and is appropriated for federal aid road and bridge programs for projects contained in the annual state transportation program.

Sec. 313. (1) From funds appropriated in part 1, the department may increase a state infrastructure bank program and grant or loan funds in accordance with regulations of the state infrastructure bank program of the United States department of transportation. The state infrastructure bank is to be administered by the department for the purpose of providing a revolving, self-sustaining resource for financing transportation infrastructure projects.

(2) In addition to funds provided in subsection (1), money received by the state as federal grants, repayment of state infrastructure bank loans, or other reimbursement or revenue received by the state as a result of projects funded by the program and interest earned on that money shall be deposited in the revolving state infrastructure bank fund and shall be available for transportation infrastructure projects. At the close of the fiscal year, any unencumbered funds remaining in the state infrastructure bank fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Sec. 314. The department shall provide a report prepared by the department's internal auditor on the activities of the internal auditor for the previous fiscal year. The report shall be due on February 1, 2007 and shall be submitted to the senate and house of representatives appropriations committees, the senate and house fiscal agencies, the director of the state budget office, and the auditor general. This report shall include a list of all of the following:

(a) All work activities conducted by the internal auditor, including a listing of all audits, reviews, and investigations.

(b) The time charged to each work activity, including time charged to each audit, review, or investigation.

(c) A listing of which audits, reviews, and investigations have been completed and which audits, reviews, and investigations have had reports of the results issued.

Sec. 319. The department shall post signs at each rest area to identify the agency or contractor responsible for maintenance of the rest area. The signs shall include a department telephone number and shall indicate that unsafe or unclean conditions at the rest area may be reported to that telephone number.

Sec. 324. From the funds appropriated in part 1, $500,000.00 from the state trunkline fund shall be used for enhanced construction zone traffic law enforcement and the "give 'em a brake" campaign. The funding shall be used to reimburse law enforcement agencies for costs associated with construction zone traffic enforcement. The funding shall be provided based on approved memoranda of understanding between the department and participating law enforcement agencies.

Sec. 334. The department shall continue its program to increase the use of women- and minority-owned businesses in state and local road construction projects. This program shall comprise, at a minimum, outreach and education efforts to inform women- and minority-owned firms of department competitive bidding processes and requirements, and an assessment of the availability of surety for women- and minority-owned businesses. The department shall report by March 31, 2007, to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies of its progress in complying with this section.

Sec. 353. The department shall review its contractor payment process and ensure that all prime contractors are paid promptly. The department shall ensure that prime contractors are in compliance with special provision 109.10 regarding the prompt payment of subcontractors.

Sec. 357. When presented with complete local federal aid project submittals, the department shall complete all necessary reviews and inspections required to let local federal aid projects within 120 days of receipt. The department shall implement a system for monitoring the local federal aid project review process.

Sec. 361. The department will notify the senate and house appropriations subcommittees on transportation, the senate and house fiscal agencies, and the state budget director of any changes to the services or function of the multi-modal transportation services program as approved by the state transportation commission.

Sec. 370. From the funds appropriated in part 1, the department shall maintain a complaint process to enforce the charter service prohibition contained in section 10e of 1951 PA 51, MCL 247.660e. The complaint process shall be independent from the charter service complaint process administered by the federal department of transportation, federal transit administration under 49 CFR part 604. The process shall allow complainants to file written complaints with the director, either through the United States mail or through the department's Internet site. The process shall allow complainants and respondents to provide evidence to the director regarding the alleged complaint. The director shall dispose of all complaints within 120 days after receipt.

Sec. 374. The department shall produce and distribute all employee newsletters electronically.

Sec. 375. The department is prohibited from reimbursing contractors or consultants for costs associated with groundbreaking ceremonies, receptions, open houses, or press conferences related to transportation projects funded, in whole or in part, by revenue appropriated in part 1.

Sec. 376. No later than October 15, 2006, the department shall report to the senate and house of representatives appropriations subcommittees on transportation on the status of the 17 projects that were initially deferred in the department's 5-year plan in 2003 and subsequently restored.

Sec. 379. The department shall not spend any comprehensive transportation fund revenue appropriated in part 1 on operational planning for an eligible authority or eligible governmental agency in accordance with section 10b(3) of 1951 PA 51, MCL 247.660b.

Sec. 380. (1) The department only shall use those appropriations contained in sections 114 and 115 to support the operations of the multi-modal transportation services bureau. Except as provided in subsection (2), the department is prohibited from charging any costs associated with the multi-modal transportation services bureau to any appropriation in part 1, other than the appropriations contained in sections 114 and 115, regardless of their funding source without an approved legislative transfer or an enacted supplemental appropriations bill.

(2) Funds not appropriated in sections 114 and 115 may be used to fund costs associated with multi-modal transportation services, aeronautics, or freight safety services activities related to federally eligible costs for project management, inspection, and administration of federally funded projects and for construction of safety inspections of rail projects.

Sec. 381. No funds appropriated in part 1 shall be used to pay for the costs associated with the production or airing of a television program by the department, unless the program addresses traffic or safety advisories.

Sec. 383. (1) The department, with assistance from the departments of state police, natural resources, and military and veterans affairs, shall prepare a quarterly report on all travel by executive branch employees on state-owned, noncombat aircraft. The report shall include, by department, the name of the traveler, the travel origination location, the travel destination location, type of aircraft, and the total estimated costs associated with the air travel.

(2) From the funds appropriated in part 1, the department is prohibited from transporting employees of institutions of higher education on state-owned aircraft.

(3) From the funds appropriated in part 1, the department is prohibited from transporting legislators or legislative staff on state-owned aircraft without prior approval from the senate majority leader and/or the speaker of the house of representatives.

(4) From the funds appropriated in part 1, the department is prohibited from transporting local government employees on state-owned aircraft.

(5) It is the intent of the legislature that state elected officials use commercial or other private air service, unless air travel on state-owned aircraft is part of official state business.

(6) This section does not apply to transportation that is related to law enforcement or homeland security activities.

Sec. 384. The department shall not, directly or indirectly, expend any funds appropriated in part 1 for design or right-of-way acquisition associated with a new crossing of the Detroit River between Detroit, Michigan and Windsor, Ontario.

Sec. 391. It is the intent of the legislature that there be established within the department 2 separate deputy director positions with responsibility for public transportation programs. One position shall function as chief administrative officer for all public transportation programs, other than aeronautics programs. The second position shall function as the director of aeronautics as established in section 27 of the state aeronautics code, 1945 PA 327, MCL 259.27.

FEDERAL

Sec. 401. When the department receives authorization from the federal government to commit transportation funds pursuant to federal appropriations, it shall present to the senate and house of representatives appropriations transportation subcommittees and the senate and house fiscal agencies, the federal amounts and categories authorized and the department's recommendation for distribution of these funds. If a recommendation or recommendations are not approved within 30 business days by both the senate and house of representatives appropriations transportation subcommittees, then the recommendation or recommendations shall be considered as disapproved. If either the senate

or house of representatives appropriations transportation subcommittees disapproves the proposed distribution, then the senate and house of representatives appropriations transportation subcommittees and the department shall hold a joint meeting to develop a final distribution.

Sec. 402. A portion of the federal DOT-FHWA highway research, planning, and construction funds made available to the state shall be allocated to transportation programs administered by local jurisdictions in accordance with section 10o of 1951 PA 51, MCL 247.660o. A local road agency, with respect to a project approved for federal aid funding in a state transportation improvement program, may enter into a voluntary buyout agreement with the department or with another local road agency to exchange the federal aid with state restricted transportation funds as agreed to by the respective parties. The state-restricted transportation funds received in exchange for federal aid funds shall be used for the same purpose as the federal aid funds were originally intended.

MICHIGAN TRANSPORTATION FUND

Sec. 501. The money received under the motor carrier act, 1933 PA 254, MCL 475.1 to 479.43, and not appropriated to the department of labor and economic growth or the department of state police is deposited in the Michigan transportation fund.

Sec. 502. The department of treasury shall perform audits and make investigations of the disposition of all state funds received by county road commissions or county boards of commissioners, as applicable, and cities and villages for transportation purposes to determine compliance with the terms and conditions of 1951 PA 51, MCL 247.651 to 247.675. County road commissions or county boards of commissioners, as applicable, and cities and villages shall make available to the department of treasury the pertinent records for the audit.

Sec. 503. (1) The funds appropriated in part 1 for the economic development and local bridge programs shall not lapse at the end of the fiscal year but shall carry forward each fiscal year for the purposes for which appropriated in accordance with 1987 PA 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL 247.660.

(2) Interest earned in the department of transportation economic development fund and local bridge fund shall remain in the respective funds and shall be allocated to the respective programs based on actual interest earned at the end of each fiscal year.

(3) The department of transportation economic development fund and local bridge fund may receive and expend federal, local, or private funds or restricted source funds such as interest earnings for projects that are consistent with the programmatic mission of the respective funds in addition to funds appropriated in part 1.

(4) None of the funds statutorily dedicated to the transportation economic development fund and local bridge fund shall be diverted to other projects.

Sec. 504. (1) Funds from the Michigan transportation fund (MTF) shall be distributed to the comprehensive transportation fund (CTF), the economic development fund (EDF), the recreation improvement fund (RIF), and the state trunkline fund (STF), in accordance with this article and part 711 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108, and may only be used as specified in this article, 1951 PA 51, MCL 247.651 to 247.675, and part 711 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108.

(2) The amounts appropriated and transferred to various state agencies from part 1 shall be expended from the transportation funds pursuant to annual contracts between the department and state agencies providing tax and fee collection and other services applicable to transportation funds. The contracts shall be executed prior to the transfer of these funds. The contracts shall provide, but are not limited to, the following data applicable to each state agency:

(a) Estimated costs to be recovered from transportation funds.

(b) Description of services financed with transportation funds.

(c) Detailed cost allocation methods that are appropriate to the type of services being provided and the activities financed with transportation funds.

(3) Two months after publication of the state of Michigan comprehensive annual financial report, each state agency receiving an interdepartment and statutory contract from the department shall submit a written report to the department, the state budget director, and the house and senate fiscal agencies stating by spending authorization account the amount of estimated funds contracted with the department, the amount of funds expended, the amount of funds returned to the transportation funds, and any unreimbursed transportation-related costs incurred but not billed to transportation funds. A copy of the report shall be submitted to the auditor general and the report shall be subject to audit by the auditor general.

(4) In addition to the requirements of subsection (3), the state treasurer shall develop a cost allocation plan to identify the actual costs of work based on time and effort performed by the Michigan department of treasury for state-restricted transportation funds. The cost allocation plan shall specifically identify the costs of collecting constitutionally restricted motor fuel taxes. The cost allocation plan shall be submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, the auditor general, and the state budget director by November 1. The cost allocation plan shall be subject to audit by the auditor general.

STATE TRUNKLINE FUND

Sec. 601. The department shall work with the road construction industry and engineering consulting community to develop performance and road construction warranties for construction contracts. The development of warranties shall include warranties on materials, workmanship, performance criteria, and design/build projects. The department will report by September 30 of each calendar year to the house of representatives and senate appropriations subcommittees on transportation, the state budget director, and the house and senate fiscal agencies on the status of efforts to develop performance and road construction warranties.

Sec. 602. If the department uses manufactured pipe for road construction drainage, the department shall require that pipe used under certain load-bearing conditions beneath the roadway meets the standards established by the American society for testing and materials (ASTM) or American association of state highway and transportation officials (AASHTO). The department may also use the mandrel test for manufactured pipe 60 days after installation and provide a summary of the results of these inspections to the house of representatives and senate appropriations subcommittees on transportation and house and senate fiscal agencies.

Sec. 603. The department shall use traffic congestion as 1 of the criteria in determining the priorities for designating which roads shall be remediated in its 5-year road plan, which must be submitted on or before February 1, 2007. Criteria for evaluating traffic congestion shall include, but not be limited to, coordination with local, county, and regional planning, improvement in traffic operations, improvement in physical roadway conditions, accident reduction, and coordination with area public transportation planning.

Sec. 607. Funding shall be made available for the remediation of unsafe pedestrian crossings on state highways. Funds from this appropriation may be expended only as matching funds for up to 50% of project cost with additional project funding to be provided by local units of government or through private contributions. Selected projects shall require the approval of the transportation commission. Maintenance of pedestrian overpasses constructed from funds made available through this appropriation shall be the responsibility of a local unit of government or public or private institutions of higher education.

Sec. 608. From the amounts appropriated in part 1 for forest roads from the transportation economic development fund, $40,000.00 shall be used for the purpose of establishing 2 additional truck inspection stations. The department shall work directly with representatives of the timber industry to educate truck drivers on the use of the stations. The department shall report on the status of this program.

Sec. 610. It is the intent of the legislature that the department have as a priority the removal of dead deer and other large animal remains from the traveled portion and shoulder of state highways. The department, and counties that perform state highway maintenance under contract, shall remove animal remains, wherever practicable, away from the traveled portion and shoulder of state highways.

Sec. 611. From the appropriations in part 1, the department shall use high-quality pavement marking materials for all state trunkline projects with a design life of 10 years or greater. The department shall coordinate with material suppliers, equipment manufacturers, and application contractors to ensure cost-effective improvements in durability and retro-reflectivity. The department shall identify pilot projects for demonstration of wet reflective characteristics. The department shall submit a report to both the house and senate appropriations committees and the house and senate fiscal agencies by January 31, 2007, that provides a report on the wet reflective pilot projects and the use of high-quality pavement marking materials in coordination with material suppliers, equipment manufacturers, and application contractors.

Sec. 612. The department shall establish guidelines governing incentives and disincentives provided under contracts for state trunkline projects. The guidelines shall include specific financial information concerning incentives and disincentives. On or before January 1, 2007, the department shall prepare a report for the immediately preceding fiscal year regarding contract incentives and disincentives. This report shall include a list, by project, of the contractors that received contract incentives and/or disincentives, the amount of the incentives and/or disincentives, and the number of days that each project was completed either ahead or past the contracted completion date. This report shall be provided to the senate and house appropriations subcommittees on transportation, the senate and house standing committees on transportation, and the senate and house fiscal agencies.

Sec. 613. From the funds appropriated in part 1, not less than $50,000.00 shall be expended for the implementation of a comprehensive signage program on I-94, US-127, US-223, M-50, US-23, and I-69 to assist traffic coming from all directions to locate the Michigan international speedway.

Sec. 615. From the funds appropriated in part 1, the department shall proceed with the construction of a full interchange at the intersection of M-48 and I-75 in Chippewa County. The department shall develop design plans and award the construction contract for this project during the fiscal year ending September 30, 2007.

Sec. 616. From the funds appropriated in part 1, the department shall reimburse the city of Petoskey for installation of a traffic light on US-31 at the intersection with Bay Harbor in Emmet County.

Sec. 639. The department shall develop a plan and schedule to place signs on state highways that direct motorists to drive on the right half of the roadway in accordance with section 634 of the Michigan vehicle code, 1949 PA 300, MCL 257.634. The plan and schedule shall be submitted to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director by November 1, 2006.

Sec. 640. The department shall develop a plan and schedule to place signs on state highways that direct motorists to yield the right-of-way to approaching emergency vehicles in accordance with section 653 of the Michigan vehicle code, 1949 PA 300, MCL 257.653. The plan and schedule shall be submitted to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director by November 1, 2006.

Sec. 654. It is the intent of the legislature that the Mackinac Bridge Authority work to protect the long-term viability of the Mackinac Bridge.

Sec. 655. It is the intent of the legislature that the department expend not less than $32,000.00 for a safe routes to schools project in Eaton Rapids, Michigan, involving extension of and improvements to sidewalks along North State Street from Gould to beyond Greyhound Drive, as well as connecting streets in neighborhoods near Eaton Rapids High School, Eaton Rapids Middle School, Greyhound Intermediate School, and Lockwood Elementary School.

Sec. 656. It is the intent of the legislature that the department upgrade that section of M-49 from M-99 to US-12 to standards necessary for designation as a designated highway as provided under sections 717 and 718 of the Michigan vehicle code, 1949 PA 300, MCL 257.717 and 257.718, and for inclusion as a "green" special designated highway on the department's truck operator's map.

Sec. 657. It is the intent of the legislature that the department proceed with a congestion mitigation corridor study of US-23 from M-14 to I-96 in Washtenaw and Livingston counties, including environmental assessment of transportation improvements to US-23.

COMPREHENSIVE TRANSPORTATION FUND

Sec. 701. Money that is received by the state as a lease payment for state-owned intercity bus equipment is not money to be deposited in the comprehensive transportation fund under section 10b of 1951 PA 51, MCL 247.660b, but is money that is deposited in an intercity bus equipment fund for appropriation for the purchase and repair of intercity bus equipment. Proceeds received by the state from the sale of intercity bus equipment are deposited in an intercity bus equipment fund for appropriation for the purchase and repair of intercity bus equipment. Security deposits from the lease of state-owned intercity bus equipment not returned to the lessee of the equipment under terms of the lease agreement are deposited in an intercity bus equipment fund for appropriation for the repair of intercity bus equipment. At the close of the fiscal year, any funds remaining in the intercity bus equipment fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Sec. 702. Money that is received by the state as repayment for loans made for rail or water freight capital projects, and as a result of the sale of property or equipment used or projected to be used for rail or water freight projects shall be deposited in the fund created by section 17 of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.67. At the close of the fiscal year, any funds remaining in the rail preservation fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Sec. 703. After receiving notification from a railroad company pursuant to section 8 of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.58, the department shall immediately notify the house of representatives and senate appropriations subcommittees on transportation and the state budget office that the railroad company has filed with the appropriate governmental agencies for abandonment of a line.

Sec. 705. Funds appropriated in part 1 for the rail infrastructure loan program shall be credited to the rail infrastructure loan fund established in section 15a of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.65a.

Sec. 706. The Detroit/Wayne County port authority shall issue a complete operations assessment and a financial disclosure statement. The operations assessment shall include operational goals for the next 5 years and recommendations to improve land acquisition and development efficiency. The report shall be completed and submitted to the house of representatives and senate appropriations subcommittees on transportation, the state budget director, and the house and senate fiscal agencies by February 15 of each fiscal year for the prior fiscal year.

Sec. 707. (1) For the fiscal year ending September 30, 2007, each eligible authority and each eligible governmental agency which provides public transportation services in urbanized areas with a Michigan population of less than or equal to 100,000 and nonurbanized areas under section 5311 of title 49 of the United States Code, 49 USC 5311, shall receive a grant of up to 60% of its eligible operating expenses. Each eligible authority and each eligible government agency which provides public transportation services in urbanized areas with a Michigan population of greater than 100,000 under section 5307 of title 49 of the United States Code, 49 USC 5307, shall receive a grant of up to 50% of its eligible operating expenses.

(2) If the department determines that the Detroit transportation corporation is an eligible governmental agency as defined in section 10c(c) of 1951 PA 51, MCL 247.660c, and is eligible for operating grants under section 10e of 1951 PA 51, MCL 247.660e, the Detroit transportation corporation shall receive an operating grant not to exceed the amount of the distribution it received for eligible operating expenses for the fiscal year ending September 30, 1997 as provided in section 10e(4)(a)(*v*) of 1951 PA 51, MCL 247.660e. The funding plan for capital construction costs of the Detroit people mover project as described and provided under 1984 PA 243, 1985 PA 111, 1986 PA 207, 1987 PA 136, 1988 PA 271, 1989 PA 54, and 1990 PA 202 represents the only funding plan for cost overruns and there is no provision or expectation of other state money of any nature or character whatsoever for the construction or operation of the project.

Sec. 708. If funds appropriated in part 1 are used to provide state-owned or state-leased buses to private intercity bus carriers, the department shall charge not less than $1,000.00 per bus per year for their use.

Sec. 709. (1) The following bus routes are designated as an essential corridor in Michigan:

Between St. Ignace and Escanaba	US-2
Between Escanaba and Duluth	US-2 through Ironwood to the state line
Between Calumet and Escanaba	US-41
Between Escanaba and Milwaukee	US-41 through Menominee to the state line
Between St. Ignace and Sault Ste. Marie	I-75
Between Detroit and Chicago	I-94 from Detroit to the state line
Between Detroit and Muskegon	I-96
Between Grand Rapids, Holland, and Benton Harbor	I-196 to I-94
Between Muskegon and Grand Rapids	US-31, I-96
Between Detroit and Bay City	I-75
Between Bay City and Mount Pleasant	US-10, M-20
Between Jackson and Traverse City	US-127, US-27, I-75, Grayling, Gaylord, M-72 to Traverse City
Between Jackson and Indianapolis	I-69, I-94 to the state line through Albion, Marshall, and Coldwater
Between Houghton Lake and Cadillac	M-55 and M-66
Between Detroit and Toledo	I-75 to the state line
Between the Indiana state line and Traverse City	US-31 and I-196
Between Detroit and Port Huron	I-375 and I-94
Between Toledo and Bay City	US-23, I-75, and I-675, I-75
Between Bay City and Chicago	I-75, Flint, I-69, I-94, Battle Creek, I-94 to the state line
Between Flint and Lansing	I-69, M-21, Owosso, M-52, I-69
Between Bay City and St. Ignace	I-75, US-23
Between Grand Rapids and St. Ignace	US-131, Cadillac, M-115, Mesick, M-37 to Traverse City, US-31, Acme, M-72, Kalkaska, US-131, Boyne Falls, M-75, Walloon Lake, US-131, Petoskey, US-31, I-75, St. Ignace
Between Kalamazoo and Grand Rapids	US-131

(2) Any changes to the essential corridor list in subsection (1) shall be approved by the house and senate appropriations subcommittees on transportation.

(3) No entity shall receive operating assistance for a scheduled regular route service which is competing with another private or public carrier over the same route.

Sec. 711. (1) From the funds appropriated in part 1 from the comprehensive transportation fund for rail passenger service, the department shall negotiate with a rail carrier to provide rail service between Grand Rapids and Chicago and between Port Huron and Chicago on a 7-day basis, consistent with the other provisions of this section.

(2) Any state subsidy for rail passenger service between Grand Rapids and Chicago and between Port Huron and Chicago shall be limited to an amount equal to revenue generated from operation of these routes, including, but not limited to, revenue from fares and concessions. The state subsidy shall not exceed $7,100,000.00.

(3) The rail carrier shall, as a condition to receiving a state operating subsidy, maintain a system to monitor, collect, and resolve customer complaints and shall make the information available to the department, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies.

(4) The department shall submit a report to both the house and senate appropriations committees and the house and senate fiscal agencies by January 1, 2007 that provides a 5-year history on services, ridership, and subsidies.

(5) Future state support for the service between Grand Rapids and Chicago and Port Huron and Chicago is dependent on the department's ability to provide a plan and a contract for services that increase ridership and revenue, reduce operating costs, and improve on-time performance. The department shall include a section in the report required in subsection (4) detailing efforts to reduce the dependence on state operating subsidies and projected operating expenses for the next 2 years, and recommending service alternatives, for the Grand Rapids to Chicago service and the Port Huron to Chicago service.

(6) No state subsidy shall be provided from the funds appropriated in part 1 if the chosen rail carrier is Amtrak and Amtrak discontinued service or any portion of the service between Port Huron and Chicago or Grand Rapids and Chicago during the preceding fiscal year, unless the discontinuance of service was for track maintenance or was caused by acts of God.

Sec. 714. (1) The department, in cooperation with local transit agencies, shall work to ensure that demand-response services are provided throughout Michigan. The department shall continue to work with local units of government to address the unmet transit needs in Michigan.

(2) The department shall report by March 1, 2007 on its efforts to implement this section over the past 2 years.

Sec. 721. For federal transit administration bus acquisition capital grants matched with CTF funds appropriated in part 1, transit agencies shall have 4 years from the federal approval date to carry out their projects. Contract line items unobligated 4 years after the federal approval date may be matched with CTF funds only up to 15% in the fifth and subsequent years. "Unobligated" means any line item in the contract that is not committed to a third party or purchase order. A waiver shall be granted by the department for an additional year with documented justification from the transit agency accompanied by a resolution from the board or authority seeking a waiver. If a transit agency does not carry out a line item activity in a specific authorization and the transit agency requests funds in a new authorization for that same activity, the line item shall be matched at up to 15%. This section applies only to bus acquisition capital grants. Lapsed funds under this section shall remain in the CTF.

Sec. 722. From the funds appropriated in part 1 for transportation to work from the CTF, sufficient funds shall be used as a match for job access reverse commute grants for local transit agencies.

Sec. 729. From the funds appropriated in part 1 for intercity bus service development, $100,000.00 shall be used for lost ridership support and/or marketing efforts to increase awareness of intercity bus service, increase ridership on intercity bus carriers, and improve coordination of intercity bus service in Michigan.

Sec. 730. The department shall sell all state-owned intercity bus equipment within 6 months of termination of lease agreements with intercity bus carriers. The proceeds from the sale of state-owned intercity bus equipment under this section shall be deposited in the intercity bus equipment fund, consistent with section 701.

Sec. 731. The department shall charge public transit agencies and intercity bus carriers equal rates per square foot for leasing space in state-owned intermodal facilities.

Sec. 732. (1) From the funds appropriated in part 1 for local bus operating, eligible authorities and eligible governmental agencies receiving grants under section 10e of 1951 PA 51, MCL 247.660e, shall equip vehicles with necessary operational lifts and certify to the department, in a format specified by the department, that those lifts are maintained and cycled on a regularly scheduled basis to ensure operability consistent with authority granted to the department under 1951 PA 51, MCL 247.651 to 247.675.

(2) By October 29, 2006, eligible authorities and eligible governmental agencies shall forward to the department and the senate and house fiscal agencies a report on the status of their fleet with respect to operational lifts pursuant to subsection (1). Eligible authorities and eligible governmental agencies shall specifically include information in the report on the number and percentage of the fleet with operational lifts, and the number and percentage of the fleet with operational lifts that are not in working order.

(3) An eligible authority or eligible governmental agency that reports, pursuant to subsection (2) that vehicles currently eligible for or in active service have lifts that are not operational, shall certify to the department by December 31, 2006 that the nonoperational lifts have been repaired or replaced and are operational.

(4) By April 1, 2007, the department director shall certify, in writing, to the senate and house appropriations subcommittees on transportation, senate and house fiscal agencies, and the state budget director that the information provided by each eligible authority or eligible governmental agency under subsections (2) and (3) is accurate to the best of the director's knowledge. In the event that the department director finds that the information provided by each eligible authority or eligible governmental agency under subsections (2) and (3) is inaccurate, the director shall notify the eligible authority or eligible governmental agency of the inaccuracies and require submission of a corrected report.

(5) Eligible authorities and eligible governmental agencies that report, pursuant to subsection (2), nonoperational lifts on vehicles currently eligible for or in active service, and who are unable to certify, pursuant to subsection (3), that lifts have been repaired or replaced by December 31, 2006, shall not receive 25% of their monthly local bus operating grant, beginning January 1, 2007. Persons 65 years of age or older and persons with disabilities shall be exempt from fare box charges for the period an eligible authority or eligible governmental agency has funds withheld pursuant to this subsection.

(6) If the eligible authority or eligible governmental agency certifies on or before April 30, 2007 that lifts reported as nonoperational pursuant to subsections (3) and (4) are now operational, funds withheld during the period subsequent to December 31, 2006 shall be forwarded to the applicable eligible authority or eligible governmental agency. If the applicable lifts are not operational by April 30, 2007, funds withheld pursuant to subsection (4) shall be forfeited and deposited to the comprehensive transportation fund.

(7) The department shall report to the senate and house appropriations subcommittees on transportation, senate and house fiscal agencies, and the state budget director on September 30, 2007, regarding actions taken with respect to implementation of this section.

(8) The department shall ensure that transit agencies have adequate wheelchair lifts available on demand response vehicles to meet the needs of persons with disabilities.

Sec. 734. (1) The department shall ensure that all public transit agencies provide the highest quality public transit service by moving people in a cost-effective, safe, and user-friendly manner that maintains and attracts residents and businesses.

(2) Public transit agencies receiving funds under part 1 shall do all of the following:

(a) Provide efficient, cost-effective, safe, well-maintained, reliable, customer-driven transportation services.

(b) Provide a quality work environment that has and fulfills employee performance, productivity, and development standards.

(c) Identify and capture all available funding or create cost-effective programs to eliminate debt and have a balanced budget.

(d) Maintain sufficient local and community funding.

(e) Support business development by providing transportation to areas of employment and commerce, emerging or established businesses, and health care facilities.

Sec. 736. From the funds appropriated in part 1, the department shall work with intercity rail and bus passenger carriers to coordinate intercity passenger transportation in Michigan. The department shall assist in the coordination of intercity routes, schedules, and facilities.

Sec. 737. It is the intent of the legislature that the department proceed with the construction of a Birmingham/Troy intermodal passenger facility.

Sec. 738. It is the intent of the legislature that sufficient funds be allocated from the appropriation in section 117 to complete the rehabilitation of rail track between Hillsdale to Quincy.

Sec. 739. Eligible authorities and eligible governmental agencies receiving grants from funds appropriated in this article shall not assign buses longer than 40 feet to fixed route service if a reasonable estimate of ridership does not warrant the use of such large-capacity vehicles.

AERONAUTICS FUND

Sec. 801. At the close of the fiscal year, any unobligated and unexpended balance in the state aeronautics fund created in the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1 to 259.208, shall lapse to the state aeronautics fund and be appropriated by the legislature in the immediately succeeding fiscal year.

Sec. 805. State aeronautics funds appropriated in part 1 for airport safety and protection plan debt service are transferred to the comprehensive transportation fund and are appropriated for the purpose of reimbursing comprehensive transportation fund debt service obligations for the airport safety and protection plan program.

ARTICLE 19

SUPPLEMENTAL

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the various departments and state agencies and capital outlay to supplement appropriations for the fiscal year ending September 30, 2006. The following is a summary of the appropriations in this part:

APPROPRIATION SUMMARY:

Full-time equated classified positions 20.0		
GROSS APPROPRIATION	$	240,104,900
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	240,104,900
Total federal revenues		158,074,700
Total local revenues		6,457,300
Total private revenues		475,000
Total other state restricted revenues		22,323,800
State general fund/general purpose	$	52,774,100

Sec. 102. DEPARTMENT OF ATTORNEY GENERAL

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	0
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	0
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	0

(2) ATTORNEY GENERAL OPERATIONS

Attorney general operations	$	0
GROSS APPROPRIATION	$	0

		For Fiscal Year Ending Sept. 30, 2006
Appropriated from:		
Special revenue funds		
Merit award trust fund		386,800
Tobacco settlement trust fund		(386,800)
State general fund/general purpose	$	0
Sec. 103. CAPITAL OUTLAY		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	500
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	500
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total state restricted revenues		0
State general fund/general purpose	$	500
(2) STATE BUILDING AUTHORITY FINANCED CONSTRUCTION PROJECTS		
University of Michigan - Flint - French hall renovations authorized for planning in 2005 PA 10, for design and construction (total authorized cost $9,350,000; state building authority share $6,999,800; University of Michigan - Flint share $2,350,000; state general fund share $200)	$	100
University of Michigan - Ann Arbor - Phoenix laboratory - third of 3 components authorized for planning in 2005 PA 10, for design and construction (total authorized cost $9,500,000; state building authority share $6,428,200; University of Michigan - Ann Arbor share $3,071,700; state general fund share $100)		100
Central Michigan University - education building - authorized for planning in 2005 PA 10, for design and construction (total authorized cost $50,000,000; state building authority share $37,499,800; Central Michigan University share $12,500,000; state general fund share $200)		100
Wayne State University - engineering development center - authorized for planning in 2005 PA 10, for design and construction (total authorized cost $27,350,000; state building authority share $12,350,000; Wayne State University share $11,500,000; state general fund share $200)		100
Department of Corrections - Egeler correctional facility - fire safety improvements - for design and construction (total authorized cost $8,300,000; state building authority share $8,299,900; state general fund share $100)		100
GROSS APPROPRIATION	$	500
Appropriated from:		
State general fund/general purpose	$	500
Sec. 104. DEPARTMENT OF COMMUNITY HEALTH		
(1) APPROPRIATION SUMMARY		
Full-time equated classified positions 5.0		
GROSS APPROPRIATION	$	161,116,200
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	161,116,200
Total federal revenues		104,598,200
Total local revenues		3,857,300
Total private revenues		400,000
Total other state restricted revenues		24,878,000
State general fund/general purpose	$	27,382,700
(2) DEPARTMENTWIDE ADMINISTRATION		
Departmental administration and management—1.0 FTE position	$	31,700
GROSS APPROPRIATION	$	31,700
Appropriated from:		
Federal revenues:		
Total federal revenues		15,800
State general fund/general purpose	$	15,900

		For Fiscal Year Ending Sept. 30, 2006
(3) FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
Family, maternal, and children's health services administration—2.0 FTE positions	$	63,300
GROSS APPROPRIATION	$	63,300
Appropriated from:		
Federal revenues:		
Total federal revenues		31,700
State general fund/general purpose	$	31,600
(4) OFFICE OF SERVICES TO THE AGING		
Respite care program	$	0
GROSS APPROPRIATION	$	0
Appropriated from:		
Special revenue funds:		
Merit award trust fund		5,000,000
Tobacco settlement trust fund		(5,000,000)
State general fund/general purpose	$	0
(5) MEDICAL SERVICES ADMINISTRATION		
Medical services administration—2.0 FTE positions	$	805,300
GROSS APPROPRIATION	$	805,300
Appropriated from:		
Federal revenues:		
Total federal revenues		402,700
State general fund/general purpose	$	402,600
(6) MEDICAL SERVICES		
Hospital services and therapy	$	116,400,000
Pharmaceutical services		57,500
Auxiliary medical services		9,821,400
Long-term care services		0
Health plan services		33,937,000
Elder prescription insurance coverage		0
Subtotal basic medical services program		160,215,900
GROSS APPROPRIATION	$	160,215,900
Appropriated from:		
Federal revenues:		
Total federal revenues		104,148,000
Special revenue funds:		
Total local revenues		3,857,300
Total private revenues		400,000
Merit award trust fund		41,418,000
Tobacco settlement trust fund		(67,000,000)
Total other state restricted revenues		50,460,000
State general fund/general purpose	$	26,932,600
Sec. 105. DEPARTMENT OF CORRECTIONS		
(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		0
State general fund/general purpose	$	10,000,000
(2) NORTHERN REGION CORRECTIONAL FACILITIES		
Alger maximum correctional facility - Munising	$	350,000
Baraga maximum correctional facility - Baraga		1,124,800
Kinross correctional facility - Kincheloe		1,369,400
Marquette branch prison - Marquette		305,500
Newberry correctional facility - Newberry		86,800

		For Fiscal Year Ending Sept. 30, 2006
Oaks correctional facility - Eastlake		85,800
Ojibway correctional facility - Marenisco		81,000
Pugsley correctional facility - Kingsley		589,800
Standish maximum correctional facility - Standish		305,000
GROSS APPROPRIATION	$	4,298,100
Appropriated from:		
State general fund/general purpose	$	4,298,100
(3) SOUTHEASTERN MICHIGAN REGION CORRECTIONAL FACILITIES		
Charles E. Egeler correctional facility - Jackson	$	600,000
Huron Valley correctional facility - Ypsilanti		805,100
Mound correctional facility - Detroit		520,000
Ryan correctional facility - Detroit		520,000
Robert Scott correctional facility - Plymouth		306,200
Thumb correctional facility - Lapeer		250,000
Jackson area support and services - Jackson		347,500
GROSS APPROPRIATION	$	3,348,800
Appropriated from:		
State general fund/general purpose	$	3,348,800
(4) SOUTHWESTERN REGION CORRECTIONAL FACILITIES		
Bellamy Creek correctional facility - Ionia	$	444,300
Earnest C. Brooks correctional facility - Muskegon		640,900
Carson City correctional facility - Carson City		925,000
Richard A. Handlon correctional facility - Ionia		175,000
Ionia maximum correctional facility - Ionia		167,900
GROSS APPROPRIATION	$	2,353,100
Appropriated from:		
State general fund/general purpose	$	2,353,100
Sec. 106. DEPARTMENT OF EDUCATION		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	195,800
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	195,800
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		195,800
State general fund/general purpose	$	0
(2) GRANT ADMINISTRATION AND SCHOOL SUPPORT SERVICES		
Grant administration and school support services operations	$	195,800
GROSS APPROPRIATION	$	195,800
Appropriated from:		
Special revenue funds:		
Commodity distribution fees		195,800
State general fund/general purpose	$	0
Sec. 107. DEPARTMENT OF ENVIRONMENTAL QUALITY		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	50,000
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	50,000
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		50,000
State general fund/general purpose	$	0
(2) ENVIRONMENTAL SCIENCE AND SERVICES		
Pollution prevention and technical assistance	$	0
GROSS APPROPRIATION	$	0

		For Fiscal Year Ending Sept. 30, 2006
Appropriated from:		
Special revenue funds:		
Small business pollution prevention revolving loan fund		100,300
Waste reduction fee revenue		(100,300)
State general fund/general purpose	$	0
(3) LAND AND WATER MANAGEMENT		
Field permitting and project assistance	$	0
Great lakes shorelands		0
GROSS APPROPRIATION	$	0
Appropriated from:		
Special revenue funds:		
Environmental protection fund		1,000,000
Land and water permit fees		(1,000,000)
State general fund/general purpose	$	0
(4) GRANTS		
Volunteer river, stream, and creek cleanup	$	50,000
GROSS APPROPRIATION	$	50,000
Appropriated from:		
Special revenue funds:		
Water quality protection fund		50,000
State general fund/general purpose	$	0
Sec. 108. DEPARTMENT OF HUMAN SERVICES		
(1) APPROPRIATION SUMMARY		
Full-time equated classified positions 15.0		
GROSS APPROPRIATION	$	66,281,800
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	66,281,800
Total federal revenues		52,190,900
Total local revenues		2,600,000
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	11,490,900
(2) CHILD AND FAMILY SERVICES		
Child care fund	$	11,300,000
GROSS APPROPRIATION	$	11,300,000
Appropriated from:		
State general fund/general purpose	$	11,300,000
(3) LOCAL OFFICE STAFF AND OPERATIONS		
Field staff, salaries and wages—15.0 FTE positions	$	203,600
Contractual services, supplies, and materials		53,000
GROSS APPROPRIATION	$	256,600
Appropriated from:		
Federal revenues:		
Total federal revenues		128,300
State general fund/general purpose	$	128,300
(4) CENTRAL SUPPORT ACCOUNTS		
Rent	$	15,000
Travel		3,500
Payroll taxes and fringe benefits		106,700
GROSS APPROPRIATION	$	125,200
Appropriated from:		
Federal revenues:		
Total federal revenues		62,600
State general fund/general purpose	$	62,600
(5) PUBLIC ASSISTANCE		
Food assistance program benefits	$	35,000,000
Low-income home energy assistance program		17,000,000
GROSS APPROPRIATION	$	52,000,000

		For Fiscal Year Ending Sept. 30, 2006
Appropriated from:		
Federal revenues:		
Total federal revenues		52,000,000
State general fund/general purpose	$	0
(6) JUVENILE JUSTICE SERVICES		
High security juvenile services	$	500,000
Medium security juvenile services		2,100,000
GROSS APPROPRIATION		2,600,000
Appropriated from:		
Special revenue funds:		
Local funds - county payback		2,600,000
State general fund/general purpose		0
Sec. 110. LEGISLATURE		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	(500,000)
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	(500,000)
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	(500,000)
(2) LEGISLATIVE COUNCIL		
Legislative council	$	(500,000)
GROSS APPROPRIATION	$	(500,000)
Appropriated from:		
State general fund/general purpose	$	(500,000)
Sec. 111. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	1,760,600
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	1,760,600
Total federal revenues		785,600
Total local revenues		0
Total private revenues		75,000
Total other state restricted revenues		(1,000,000)
State general fund/general purpose	$	1,900,000
(2) GRAND RAPIDS VETERANS' HOME		
Grand Rapids veterans' home	$	1,250,600
Board of managers		75,000
GROSS APPROPRIATION	$	1,325,600
Appropriated from:		
Federal revenues:		
HHS, Medicare		350,600
Special revenue funds:		
Income and assessments		(1,000,000)
Private-veterans' home post and posthumous funds		75,000
State general fund/general purpose	$	1,900,000
(3) D.J. JACOBETTI VETERANS' HOME		
D.J. Jacobetti veterans' home	$	435,000
GROSS APPROPRIATION	$	435,000
Appropriated from:		
Federal revenues:		
DVA-VHA		395,000
HHS, Medicare		40,000
State general fund/general purpose	$	0

		For Fiscal Year Ending Sept. 30, 2006
Sec. 112. DEPARTMENT OF NATURAL RESOURCES		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	600,000
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	600,000
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		600,000
State general fund/general purpose	$	0
(2) FOREST, MINERAL, AND FIRE MANAGEMENT		
Forest fire protection	$	400,000
Forest and timber treatments		200,000
GROSS APPROPRIATION	$	600,000
Appropriated from:		
Special revenue funds:		
Forest development fund		600,000
State general fund/general purpose	$	0
Sec. 113. DEPARTMENT OF STATE		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	500,000
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	500,000
Total federal revenues		500,000
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		(6,500,000)
State general fund/general purpose	$	6,500,000
(2) REGULATORY SERVICES		
Operations	$	0
GROSS APPROPRIATION	$	0
Appropriated from:		
Special revenue funds:		
Transportation administration collection fund		(6,500,000)
State general fund/general purpose	$	6,500,000
(3) ELECTION REGULATION		
Help America vote act - voting access for individuals with disabilities	$	500,000
GROSS APPROPRIATION	$	500,000
Appropriated from:		
Federal revenues:		
Federal funds		500,000
State general fund/general purpose	$	0
Sec. 114. DEPARTMENT OF STATE POLICE		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	0
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	0
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		4,100,000
State general fund/general purpose	$	(4,100,000)
(2) UNIFORM SERVICES		
At-post troopers	$	0
GROSS APPROPRIATION	$	0
Appropriated from:		
Special revenue funds:		
Traffic law enforcement and safety fund		4,100,000
State general fund/general purpose	$	(4,100,000)

		For Fiscal Year Ending Sept. 30, 2006
Sec. 115. DEPARTMENT OF TREASURY		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	100,000
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	100,000
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	100,000
(2) MICHIGAN STRATEGIC FUND		
Michigan promotion program	$	100,000
GROSS APPROPRIATION	$	100,000
Appropriated from:		
State general fund/general purpose	$	100,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2005-2006 is $75,097,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is $0.

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

CAPITAL OUTLAY

Sec. 250. The appropriation for the University of Michigan - Ann Arbor - Phoenix laboratory contained in part 1 shall not be allocated until the joint capital outlay subcommittee approves the project.

DEPARTMENT OF STATE

Sec. 301. The funds appropriated in part 1 to the department of state, help America vote act - voting access for individuals with disabilities, are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered or unallotted funds shall continue to be available for expenditure until the project has been completed. The total cost is estimated at $500,000.00 and the tentative completion date is September 30, 2007.

DEPARTMENT OF STATE POLICE

Sec. 401. For the fiscal year ending September 30, 2006, surplus funds of $6,000,000.00 in the state services fee fund are hereby appropriated to the traffic law enforcement and safety fund.

DEPARTMENT OF TREASURY

Sec. 501. From the funds appropriated in part 1 for the Michigan promotion program, $100,000.00 shall be allocated to promote the Detroit zoological institute. These funds are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered or unallotted funds shall continue to be available for expenditure until the project has been completed. The total cost is estimated at $100,000.00 and the tentative completion date is September 30, 2007.

REPEALER

Sec. 1001. Section 301 of 2006 PA 153 is repealed.

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

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, capital outlay, the judicial branch, and the legislative branch for the fiscal years ending September 30, 2006 and September 30, 2007; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

Scott Hummel
John Pastor
Richard J. Brown
Conferees for the House

Shirley Johnson
Tony Stamas
Michael Prusi
Conferees for the Senate

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

Rep. Ward moved pursuant to Joint Rule 9, that the Journal printing requirement be suspended, printed copies of the conference report having been made available to each Member.

The motion prevailed.

The question being on the adoption of the conference report,

The conference report was then adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 872 **Yeas—99**

Accavitti
Acciavatti
Adamini
Amos
Angerer
Ball
Baxter
Bennett
Bieda
Booher
Brandenburg
Brown
Byrnes
Byrum
Casperson
Caswell
Caul
Cheeks
Clack
Clemente
Condino
Cushingberry
DeRoche
Dillon
Donigan
Drolet
Elsenheimer
Emmons
Espinoza
Farhat
Farrah
Gaffney
Garfield
Gillard
Gonzales
Gosselin
Hansen
Hildenbrand
Hood
Hoogendyk
Hopgood
Hummel
Hune
Hunter
Jones
Kahn
Kolb
Kooiman
LaJoy
Law, David
Law, Kathleen
Leland
Lemmons, Jr.
Lipsey
Marleau
Mayes
McConico
McDowell
Meisner
Meyer
Miller
Moolenaar
Moore
Mortimer
Murphy
Newell
Nitz
Nofs
Palmer
Palsrok
Pastor
Pavlov
Polidori
Proos
Robertson
Rocca
Sak
Schuitmaker
Shaffer
Sheen
Sheltrown
Smith, Alma
Smith, Virgil
Spade
Stahl
Stakoe
Steil
Stewart
Taub
Vagnozzi
Van Regenmorter
Vander Veen
Walker
Ward
Waters
Wenke
Williams
Wojno
Zelenko

Nays—3

Green
Lemmons, III
Tobocman

In The Chair: Kooiman

Rep. Ward moved that the bill be given immediate effect.

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

Rep. Gleason, under Rule 33, made the following statement:

"Mr. Speaker and members of the House:

I was absent from the Chamber when the vote was taken on Roll Call No. 872. Had I been present, I would have voted 'yea'."

Rep. Plakas, under Rule 33, made the following statement:

"Mr. Speaker and members of the House:

I was absent from the Chamber when the vote was taken on Roll Call No. 872. Had I been present, I would have voted 'yea'."

Rep. Anderson, under Rule 33, made the following statement:

"Mr. Speaker and members of the House:

I was absent from the Chamber when the vote was taken on Roll Call No. 872. Had I been present, I would have voted 'yea'."

Rep. Tobocman, having reserved the right to explain his nay vote, made the following statement:

"Mr. Speaker and members of the House:

I voted against this omnibus budget bill because of the language relating to the Detroit River International Crossing study of the need and potential location of an additional border crossing between Southeast Michigan and Ontario. While conversations between those involved with the conference committee make clear that the language will not inhibit the current DRIC Environmental Impact Statement from going forward (because the EIS process does not involve design or acquisition activities), the language in the conference report suggests we are not serious about doing all that we can for our struggling economy.

The DRIC study is the first binational, comprehensive, pro-active and coordinated effort to ensure that our border crossings between Michigan and Ontario are safe, secure and efficient for years to come. Our border crossings are critical infrastructure that carry some $150 billion in trade between Michigan and Ontario. This makes Michigan the largest Canadian trading partner of any state and reflects the fact that we do more than twice as much trade with Canada as the entire country does with Japan.

The Detroit Regional Chamber of Commerce, Michigan's automotive manufacturers and other representatives of industry and commerce have made clear that they support additional capacity at our border. The DRIC process has respected local border communities, as well as provided a comprehensive and scientific/research-based analysis of these issues. While today's language will not impact the DRIC going forward over the coming year, it sends the wrong message to our trading partners and our federal government that the Michigan Legislature is not serious about providing adequate infrastructure at its borders. In a global economy, such a message could be fatal to our economic success."

Rep. Green, having reserved the right to explain his nay vote, made the following statement:

"Mr. Speaker and members of the House:

Although I support the majority of the programs outlined in the Omnibus budget before us today, I feel that I must stand in opposition to this budget. The budget plan agreed to by legislative leadership and the Governor does not provide sufficient funding for revenue sharing.

The House Republicans proposed increasing revenue sharing funding by approximately $15 - $20 million. With no increases in the last three years, revenue to cities, towns and villages has actually decreased due to the cost of living. For many cities and townships, revenue sharing is a major source of funding for public safety services such as police and fire fighters. These individuals risk their lives to help make our communities safe places to live and raise a family.

As a former Wyoming City Council member, I realize first hand the impact that a lack of revenue sharing has on the day-to-day operations of a city. This is why I must stand behind my promise to fight for revenue sharing increases for Michigan cities and townships until we see a significant increase. I take this issue very seriously, and will work with my colleagues to develop an appropriate and fiscally responsible solution that will give Michigan municipalities the funding they need to continue to provide our communities with the exceptional service we have come to expect from our local public safety professionals.

My community has been forced to make the difficult decisions of closing a fire station and eliminating special policing units that focused on gang and drug related activities. My vote on this legislation does not indicate a lack of support for the other programs in the budget. My vote reflects my steadfast commitment to providing the residents of my district with sufficient police and fire protection. Improperly funded public services are a danger to communities and the public servants who place their lives on the line to protect our homes and businesses."

Second Reading of Bills

House Bill No. 5879, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 17015 (MCL 333.17015), as amended by 2002 PA 685.

Was read a second time, and the question being on the adoption of the proposed substitute (H-2) previously recommended by the Committee on Judiciary,

The substitute (H-2) was adopted, a majority of the members serving voting therefor.

Rep. Adamini moved to amend the bill as follows:

1. Amend page 10, line 15, after "**SEEKING**" by inserting "**OR NOT SEEKING**".

The question being on the adoption of the amendment offered by Rep. Adamini,

Rep. Ward moved that consideration of the amendment be postponed temporarily.

The motion prevailed.

Rep. Vander Veen moved to substitute (H-3) the bill.

The motion prevailed and the substitute (H-3) was adopted, a majority of the members serving voting therefor.

Rep. Vander Veen moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Rep. Ward moved that the bill be placed on its immediate passage.

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

By unanimous consent the House returned to the order of

Third Reading of Bills

House Bill No. 5879, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 17015 (MCL 333.17015), as amended by 2002 PA 685.

The bill was read a third time.

The question being on the passage of the bill,

Rep. Ward moved that consideration of the bill be postponed temporarily.

The motion prevailed.

Second Reading of Bills

House Bill No. 5880, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 17515 (MCL 333.17515), as added by 1993 PA 133, and by adding section 17015a.

Was read a second time, and the question being on the adoption of the proposed substitute (H-2) previously recommended by the Committee on Judiciary,

The substitute (H-2) was adopted, a majority of the members serving voting therefor.

Rep. Mortimer moved to substitute (H-3) the bill.

The motion prevailed and the substitute (H-3) was adopted, a majority of the members serving voting therefor.

Rep. Mortimer moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Rep. Ward moved that the bill be placed on its immediate passage.

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

By unanimous consent the House returned to the order of

Third Reading of Bills

House Bill No. 5880, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 17515 (MCL 333.17515), as added by 1993 PA 133, and by adding section 17015a.

The bill was read a third time.

The question being on the passage of the bill,

Rep. Ward moved that consideration of the bill be postponed temporarily.

The motion prevailed.

Second Reading of Bills

House Bill No. 5881, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," (MCL 600.101 to 600.9947) by adding section 2975.

Was read a second time, and the question being on the adoption of the proposed substitute (H-2) previously recommended by the Committee on Judiciary,

The substitute (H-2) was adopted, a majority of the members serving voting therefor.

Rep. Amos moved to substitute (H-3) the bill.

The motion prevailed and the substitute (H-3) was adopted, a majority of the members serving voting therefor.

Rep. Amos moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Rep. Ward moved that the bill be placed on its immediate passage.

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

By unanimous consent the House returned to the order of

Third Reading of Bills

House Bill No. 5881, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," (MCL 600.101 to 600.9947) by adding section 2975.

The bill was read a third time.

The question being on the passage of the bill,

Rep. Ward moved that consideration of the bill be postponed temporarily.

The motion prevailed.

Second Reading of Bills

House Bill No. 5883, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 16a of chapter XVII (MCL 777.16a), as amended by 2004 PA 216.

Was read a second time, and the question being on the adoption of the proposed substitute (H-1) previously recommended by the Committee on Judiciary,

The substitute (H-1) was adopted, a majority of the members serving voting therefor.

Rep. Adamini moved to amend the bill as follows:

1. Amend page 2, line 3, after "**SEEK**" by inserting "**OR NOT TO SEEK**".
2. Amend page 2, line 4, after "**SEEK**" by inserting "**OR NOT TO SEEK**".

The question being on the adoption of the amendments offered by Rep. Adamini,

Rep. Ward moved that consideration of the amendments be postponed temporarily.

The motion prevailed.

Rep. Taub moved to substitute (H-2) the bill.

The motion prevailed and the substitute (H-2) was adopted, a majority of the members serving voting therefor.

Rep. Taub moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Rep. Ward moved that the bill be placed on its immediate passage.

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

By unanimous consent the House returned to the order of

Third Reading of Bills

House Bill No. 5883, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 16a of chapter XVII (MCL 777.16a), as amended by 2004 PA 216.

The bill was read a third time.

The question being on the passage of the bill,

Rep. Ward moved that consideration of the bill be postponed temporarily.

The motion prevailed.

Second Reading of Bills

House Bill No. 5882, entitled

A bill to amend 1931 PA 328, entitled "The Michigan penal code," (MCL 750.1 to 750.568) by adding section 15a.

Was read a second time, and the question being on the adoption of the proposed substitute (H-3) previously recommended by the Committee on Judiciary,

The substitute (H-3) was adopted, a majority of the members serving voting therefor.

Rep. Adamini moved to amend the bill as follows:

1. Amend page 1, line 5, after "**SEEK**" by inserting "**OR NOT TO SEEK**".

The question being on the adoption of the amendment offered by Rep. Adamini,

Rep. Ward moved that consideration of the amendment be postponed temporarily.

The motion prevailed.

Rep. Emmons moved to amend the bill as follows:

1. Amend page 2, line 20, after "***(iv)***" by striking out the balance of the line through "**FEMALE,**" on line 21 and inserting "**EXCEPT AS PROVIDED IN SUBPARAGRAPHS (*i*), (*ii*), AND (*iii*),**".

The question being on the adoption of the amendment offered by Rep. Emmons,

Rep. Ward moved that consideration of the amendment be postponed temporarily.

The motion prevailed.

Rep. Emmons moved to substitute (H-4) the bill.

The motion prevailed and the substitute (H-4) was adopted, a majority of the members serving voting therefor.

Rep. Emmons moved to amend the bill as follows:

1. Amend page 4, following line 7, by inserting:

"Enacting section 1. This amendatory act takes effect October 1, 2006.

Enacting section 2. This amendatory act does not take effect unless all of the following bills of the 93rd Legislature are enacted into law:

(a) House Bill No. 5879.

(b) House Bill No. 5880.

(c) House Bill No. 5881.

(d) House Bill No. 5883.".

The motion prevailed and the amendment was adopted, a majority of the members serving voting therefor.

Rep. Adamini moved to amend the bill as follows:

1. Amend page 1, line 4, after "**SEEK**" by inserting "**OR NOT TO SEEK**".
2. Amend page 1, line 7, after "**SEEK**" by inserting "**OR NOT SEEK**".
3. Amend page 2, line 16, after "**SEEK**" by inserting "**OR NOT TO SEEK**".

The question being on the adoption of the amendments offered by Rep. Adamini,

Rep. Waters demanded the yeas and nays.

The demand was supported.

The question being on the adoption of the amendments offered by Rep. Adamini,

The amendments were not adopted, a majority of the members serving not voting therefor, by yeas and nays, as follows:

Roll Call No. 873 **Yeas—38**

Accavitti
Adamini
Anderson
Bennett
Bieda
Byrnes
Byrum
Cheeks
Clack
Condino
Cushingberry
Donigan
Farrah
Gillard
Gonzales
Hood
Hopgood
Hunter
Kolb
Law, Kathleen
Leland
Lemmons, III
Lemmons, Jr.
Lipsey
McConico
Meisner
Miller
Murphy
Plakas
Smith, Alma
Smith, Virgil
Stewart
Tobocman
Vagnozzi
Waters
Williams
Wojno
Zelenko

Nays—67

Acciavatti
Amos
Angerer
Ball
Baxter
Booher
Brandenburg
Brown
Casperson
Caswell
Caul
Clemente
DeRoche
Dillon
Drolet
Elsenheimer
Emmons
Espinoza
Farhat
Gaffney
Garfield
Gleason
Gosselin
Green
Hansen
Hildenbrand
Hoogendyk
Hummel
Hune
Jones
Kahn
Kooiman
LaJoy
Law, David
Marleau
Mayes
McDowell
Meyer
Moolenaar
Moore
Mortimer
Newell
Nitz
Nofs
Palmer
Palsrok
Pastor
Pavlov
Polidori
Proos
Robertson
Rocca
Sak
Schuitmaker
Shaffer
Sheen
Sheltrown
Spade
Stahl
Stakoe
Steil
Taub
Van Regenmorter
Vander Veen
Walker
Ward
Wenke

In The Chair: Kooiman

Rep. Emmons moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Rep. Ward moved that the bill be placed on its immediate passage.

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

By unanimous consent the House returned to the order of

Third Reading of Bills

House Bill No. 5882, entitled

A bill to amend 1931 PA 328, entitled "The Michigan penal code," (MCL 750.1 to 750.568) by adding section 15a.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 874 **Yeas—67**

Acciavatti	Espinoza	Marleau	Sak
Amos	Farhat	Mayes	Schuitmaker
Angerer	Gaffney	McDowell	Shaffer
Ball	Garfield	Meyer	Sheen
Baxter	Gleason	Moolenaar	Sheltrown
Booher	Gosselin	Moore	Spade
Brandenburg	Green	Mortimer	Stahl
Brown	Hansen	Newell	Stakoe
Casperson	Hildenbrand	Nitz	Steil
Caswell	Hoogendyk	Nofs	Stewart
Caul	Hummel	Palmer	Taub
Clemente	Hune	Palsrok	Van Regenmorter
DeRoche	Jones	Pastor	Vander Veen
Dillon	Kahn	Pavlov	Walker
Drolet	Kooiman	Proos	Ward
Elsenheimer	LaJoy	Robertson	Wenke
Emmons	Law, David	Rocca	

Nays—38

Accavitti	Cushingberry	Leland	Polidori
Adamini	Donigan	Lemmons, III	Smith, Alma
Anderson	Farrah	Lemmons, Jr.	Smith, Virgil
Bennett	Gillard	Lipsey	Tobocman
Bieda	Gonzales	McConico	Vagnozzi
Byrnes	Hood	Meisner	Waters
Byrum	Hopgood	Miller	Williams
Cheeks	Hunter	Murphy	Wojno
Clack	Kolb	Plakas	Zelenko
Condino	Law, Kathleen		

In The Chair: Kooiman

The House agreed to the title of the bill.

———

Rep. Bieda, having reserved the right to explain his protest against the passage of the bill, made the following statement:

"Mr. Speaker and members of the House:

I find it abhorrent and against any sense of decency that someone would force or coerce a woman to have an abortion against her will.

I know that every member of this body — regardless how they voted on this bill package, or their personal opinion on abortion, would agree with me. This bill, however, is deeply flawed, thus I voted 'no' on House Bill 5882. HB 5882 and its accompanying bill package fails to deal reasonably and fairly with the issues of abuse that it seeks to confront. Indeed, every group which represents the interests of women who are victims of domestic abuse are opposed to this bill package. One would wonder why. Well, the bill's supporters contend that it merely provides protection for women against abuse, but in truth it does not. It only protects certain women and is dependent upon the intent of the abuser. I am adamantly opposed to the types of abuse, mistreatment and coercion that this bill would ban, but I am equally opposed to such behavior if it is directed at someone for the purpose of forcing her to have a child, because testimony before the committee from domestic violence groups indicated that abusers are far more likely to threaten to leave or

take other more violent actions in an effort compel a woman to have a child that to get an abortion. This also brings to light one of the biggest holes in this bill that the crimes it creates are dependent upon the abuser's intent — in fact, I strongly suspect that many of the people accused of this crime will claim that they were trying to compel the woman to have the child. Under the language in the bill as passed, they need only convince one person on the jury that the coercion was not to have an abortion, but to have the child, and thus escape the ramifications of their behavior.

Another problem with this legislation is that it makes it a crime to 'coerce' a woman by threatening divorce, alienation of affection, or termination of financial support as a consequence of having an abortion. It goes farther than physical abuse or threats of physical abuse which are already illegal, and now creates a new legal cause of action for spoken words other than threats of physical abuse. This is problematic in itself. In one example, a wife can claim after an abortion — even one that was her own decision, and later claim that her husband coerced her into that decision. It creates a legal cause of action that will further complicate and offer opportunities for abuse in divorce or separation proceedings.

Finally, the bill as currently drafted probably violates the Equal Protection clause of the Constitution as it effectively makes it a specific crime to threaten a woman in order to compel her to have an abortion, but doesn't make it a crime to threaten the same woman if you want her to have the child."

Rep. Ward moved that the bill be given immediate effect.

The question being on the motion made by Rep. Ward,

Rep. Waters demanded the yeas and nays.

The demand was supported.

The question being on the motion made by Rep. Ward,

The motion did not prevail, 2/3 of the members serving not voting therefor, by yeas and nays, as follows:

Roll Call No. 875 **Yeas—67**

Acciavatti	Espinoza	Marleau	Sak
Amos	Farhat	Mayes	Schuitmaker
Angerer	Gaffney	McDowell	Shaffer
Ball	Garfield	Meyer	Sheen
Baxter	Gleason	Moolenaar	Sheltrown
Booher	Gosselin	Moore	Spade
Brandenburg	Green	Mortimer	Stahl
Brown	Hansen	Newell	Stakoe
Casperson	Hildenbrand	Nitz	Steil
Caswell	Hoogendyk	Nofs	Stewart
Caul	Hummel	Palmer	Taub
Clemente	Hune	Palsrok	Van Regenmorter
DeRoche	Jones	Pastor	Vander Veen
Dillon	Kahn	Pavlov	Walker
Drolet	Kooiman	Proos	Ward
Elsenheimer	LaJoy	Robertson	Wenke
Emmons	Law, David	Rocca	

Nays—37

Accavitti	Donigan	Leland	Polidori
Anderson	Farrah	Lemmons, III	Smith, Alma
Bennett	Gillard	Lemmons, Jr.	Smith, Virgil
Bieda	Gonzales	Lipsey	Tobocman
Byrnes	Hood	McConico	Vagnozzi
Byrum	Hopgood	Meisner	Waters
Cheeks	Hunter	Miller	Williams
Clack	Kolb	Murphy	Wojno
Condino	Law, Kathleen	Plakas	Zelenko
Cushingberry			

In The Chair: Kooiman

The House returned to the consideration of

House Bill No. 5879, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 17015 (MCL 333.17015), as amended by 2002 PA 685.

(The bill was considered earlier today, see today's Journal, p. 2081.)

The question being on the passage of the bill,

The bill was then passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 876 **Yeas—67**

Acciavatti	Espinoza	Marleau	Sak
Amos	Farhat	Mayes	Schuitmaker
Angerer	Gaffney	McDowell	Shaffer
Ball	Garfield	Meyer	Sheen
Baxter	Gleason	Moolenaar	Sheltrown
Booher	Gosselin	Moore	Spade
Brandenburg	Green	Mortimer	Stahl
Brown	Hansen	Newell	Stakoe
Casperson	Hildenbrand	Nitz	Steil
Caswell	Hoogendyk	Nofs	Stewart
Caul	Hummel	Palmer	Taub
Clemente	Hune	Palsrok	Van Regenmorter
DeRoche	Jones	Pastor	Vander Veen
Dillon	Kahn	Pavlov	Walker
Drolet	Kooiman	Proos	Ward
Elsenheimer	LaJoy	Robertson	Wenke
Emmons	Law, David	Rocca	

Nays—38

Accavitti	Cushingberry	Leland	Polidori
Adamini	Donigan	Lemmons, III	Smith, Alma
Anderson	Farrah	Lemmons, Jr.	Smith, Virgil
Bennett	Gillard	Lipsey	Tobocman
Bieda	Gonzales	McConico	Vagnozzi
Byrnes	Hood	Meisner	Waters
Byrum	Hopgood	Miller	Williams
Cheeks	Hunter	Murphy	Wojno
Clack	Kolb	Plakas	Zelenko
Condino	Law, Kathleen		

In The Chair: Kooiman

The question being on agreeing to the title of the bill,

Rep. Ward moved to amend the title to read as follows:

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 17015 (MCL 333.17015), as amended by 2006 PA 77.

The motion prevailed.

The House agreed to the title as amended.

Rep. Ward moved that the bill be given immediate effect.

The question being on the motion made by Rep. Ward,

Rep. Waters demanded the yeas and nays.

The demand was supported.

The question being on the motion made by Rep. Ward,

The motion did not prevail, 2/3 of the members serving not voting therefor, by yeas and nays, as follows:

Roll Call No. 877 **Yeas—67**

Acciavatti	Espinoza	Marleau	Sak
Amos	Farhat	Mayes	Schuitmaker
Angerer	Gaffney	McDowell	Shaffer
Ball	Garfield	Meyer	Sheen
Baxter	Gleason	Moolenaar	Sheltrown
Booher	Gosselin	Moore	Spade
Brandenburg	Green	Mortimer	Stahl
Brown	Hansen	Newell	Stakoe
Casperson	Hildenbrand	Nitz	Steil
Caswell	Hoogendyk	Nofs	Stewart
Caul	Hummel	Palmer	Taub
Clemente	Hune	Palsrok	Van Regenmorter
DeRoche	Jones	Pastor	Vander Veen
Dillon	Kahn	Pavlov	Walker
Drolet	Kooiman	Proos	Ward
Elsenheimer	LaJoy	Robertson	Wenke
Emmons	Law, David	Rocca	

Nays—38

Accavitti	Cushingberry	Leland	Polidori
Adamini	Donigan	Lemmons, III	Smith, Alma
Anderson	Farrah	Lemmons, Jr.	Smith, Virgil
Bennett	Gillard	Lipsey	Tobocman
Bieda	Gonzales	McConico	Vagnozzi
Byrnes	Hood	Meisner	Waters
Byrum	Hopgood	Miller	Williams
Cheeks	Hunter	Murphy	Wojno
Clack	Kolb	Plakas	Zelenko
Condino	Law, Kathleen		

In The Chair: Kooiman

The House returned to the consideration of

House Bill No. 5880, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 17515 (MCL 333.17515), as added by 1993 PA 133, and by adding section 17015a.

(The bill was considered earlier today, see today's Journal, p. 2082.)

The question being on the passage of the bill,

The bill was then passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 878 **Yeas—67**

Acciavatti	Espinoza	Marleau	Sak
Amos	Farhat	Mayes	Schuitmaker
Angerer	Gaffney	McDowell	Shaffer
Ball	Garfield	Meyer	Sheen
Baxter	Gleason	Moolenaar	Sheltrown
Booher	Gosselin	Moore	Spade
Brandenburg	Green	Mortimer	Stahl

Brown
Casperson
Caswell
Caul
Clemente
DeRoche
Dillon
Drolet
Elsenheimer
Emmons
Hansen
Hildenbrand
Hoogendyk
Hummel
Hune
Jones
Kahn
Kooiman
LaJoy
Law, David
Newell
Nitz
Nofs
Palmer
Palsrok
Pastor
Pavlov
Proos
Robertson
Rocca
Stakoe
Steil
Stewart
Taub
Van Regenmorter
Vander Veen
Walker
Ward
Wenke

Nays—38

Accavitti
Adamini
Anderson
Bennett
Bieda
Byrnes
Byrum
Cheeks
Clack
Condino
Cushingberry
Donigan
Farrah
Gillard
Gonzales
Hood
Hopgood
Hunter
Kolb
Law, Kathleen
Leland
Lemmons, III
Lemmons, Jr.
Lipsey
McConico
Meisner
Miller
Murphy
Plakas
Polidori
Smith, Alma
Smith, Virgil
Tobocman
Vagnozzi
Waters
Williams
Wojno
Zelenko

In The Chair: Kooiman

The House agreed to the title of the bill.
Rep. Ward moved that the bill be given immediate effect.
The question being on the motion made by Rep. Ward,
Rep. Waters demanded the yeas and nays.
The demand was supported.
The question being on the motion made by Rep. Ward,
The motion did not prevail, 2/3 of the members serving not voting therefor, by yeas and nays, as follows:

Roll Call No. 879 **Yeas—67**

Acciavatti
Amos
Angerer
Ball
Baxter
Booher
Brandenburg
Brown
Casperson
Caswell
Caul
Clemente
DeRoche
Dillon
Drolet
Elsenheimer
Emmons
Espinoza
Farhat
Gaffney
Garfield
Gleason
Gosselin
Green
Hansen
Hildenbrand
Hoogendyk
Hummel
Hune
Jones
Kahn
Kooiman
LaJoy
Law, David
Marleau
Mayes
McDowell
Meyer
Moolenaar
Moore
Mortimer
Newell
Nitz
Nofs
Palmer
Palsrok
Pastor
Pavlov
Proos
Robertson
Rocca
Sak
Schuitmaker
Shaffer
Sheen
Sheltrown
Spade
Stahl
Stakoe
Steil
Stewart
Taub
Van Regenmorter
Vander Veen
Walker
Ward
Wenke

Nays—38

Accavitti	Cushingberry	Leland	Polidori
Adamini	Donigan	Lemmons, III	Smith, Alma
Anderson	Farrah	Lemmons, Jr.	Smith, Virgil
Bennett	Gillard	Lipsey	Tobocman
Bieda	Gonzales	McConico	Vagnozzi
Byrnes	Hood	Meisner	Waters
Byrum	Hopgood	Miller	Williams
Cheeks	Hunter	Murphy	Wojno
Clack	Kolb	Plakas	Zelenko
Condino	Law, Kathleen		

In The Chair: Kooiman

The House returned to the consideration of

House Bill No. 5881, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," (MCL 600.101 to 600.9947) by adding section 2975.

(The bill was considered earlier today, see today's Journal, p. 2083.)

The question being on the passage of the bill,

The bill was then passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 880 **Yeas—66**

Acciavatti	Espinoza	Marleau	Rocca
Amos	Farhat	Mayes	Sak
Angerer	Gaffney	McDowell	Schuitmaker
Ball	Garfield	Meyer	Shaffer
Baxter	Gleason	Moolenaar	Sheen
Booher	Gosselin	Moore	Spade
Brandenburg	Green	Mortimer	Stahl
Brown	Hansen	Newell	Stakoe
Casperson	Hildenbrand	Nitz	Steil
Caswell	Hoogendyk	Nofs	Stewart
Caul	Hummel	Palmer	Taub
Clemente	Hune	Palsrok	Van Regenmorter
DeRoche	Jones	Pastor	Vander Veen
Dillon	Kahn	Pavlov	Walker
Drolet	Kooiman	Proos	Ward
Elsenheimer	LaJoy	Robertson	Wenke
Emmons	Law, David		

Nays—36

Accavitti	Condino	Kolb	Plakas
Adamini	Cushingberry	Law, Kathleen	Polidori
Anderson	Donigan	Leland	Smith, Virgil
Bennett	Farrah	Lemmons, Jr.	Tobocman
Bieda	Gillard	Lipsey	Vagnozzi
Byrnes	Gonzales	McConico	Waters
Byrum	Hood	Meisner	Williams

Cheeks	Hopgood	Miller	Wojno
Clack	Hunter	Murphy	Zelenko

In The Chair: Kooiman

The question being on agreeing to the title of the bill,

Rep. Ward moved to amend the title to read as follows:

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," (MCL 600.101 to 600.9947) by adding section 2976.

The motion prevailed.

The House agreed to the title as amended.

Rep. Bieda, having reserved the right to explain his protest against the passage of the bill, made the following statement:

"Mr. Speaker and members of the House:

I voted 'no' on HB 5881 which would allow a civil lawsuit for a violation of HB 5882. Under this bill, the damages would be limited or capped, and the action would have to be undertaken within three years after the claim first accrues.

As currently drafted, it is unclear how the limitations on civil damages put forth in HB 5881 will interact with existing employment and civil rights law regarding damages for employment discrimination against pregnant women. I note that these existing statutes offer more protection for pregnant women. The provisions of HB 5881 that allow for civil lawsuits do not consider the possibility that those efforts could conflict or interfere with existing employment and civil rights law regarding damages for employment discrimination against pregnant women. For example, if an employer tells a woman she will be fired or not promoted if she has a child, it is a violation of Michigan's employment law. Now that same action would also be a violation of this proposed law — would the woman be able to pursue both cases against her employer?

The bills in this package create both criminal and a civil cause of action against family members. A cause of action would arise if the family or household member 'files or attempts to file for a divorce from the pregnant female,' or 'withdraws or attempts to withdraw financial support from the pregnant female that had previously been supplied or offered to the pregnant female.' Thus, a couple that may be going through a divorce or the father or mother of an adult daughter living at home would be subject to legal action if they either attempted to divorce or even ask the pregnant daughter to leave their abode. The action could proceed even if there was no actual relation to the issue of whether to proceed or terminate the pregnancy. One would only need to allege that they were pregnant, and that divorce, threat of divorce, withdrawn or threat of withdrawal of financial support of living arrangements was discussed.

In my opinion, this creates a very onerous standard, as well as a severe opportunity of abuse of our legal system. Thus, this bill not only provides no real protection, but it offers a new legal cause of action that is ripe for abuse. This is in addition to some of the equal protection issues that were brought up in committee testimony. Because of these reasons, I voted 'no' on House Bill 5881."

Rep. Ward moved that the bill be given immediate effect.

The question being on the motion made by Rep. Ward,

Rep. Waters demanded the yeas and nays.

The demand was supported.

The question being on the motion made by Rep. Ward,

The motion did not prevail, 2/3 of the members serving not voting therefor, by yeas and nays, as follows:

Roll Call No. 881 **Yeas—67**

Acciavatti	Espinoza	Marleau	Sak
Amos	Farhat	Mayes	Schuitmaker
Angerer	Gaffney	McDowell	Shaffer
Ball	Garfield	Meyer	Sheen

Baxter
Booher
Brandenburg
Brown
Casperson
Caswell
Caul
Clemente
DeRoche
Dillon
Drolet
Elsenheimer
Emmons
Gleason
Gosselin
Green
Hansen
Hildenbrand
Hoogendyk
Hummel
Hune
Jones
Kahn
Kooiman
LaJoy
Law, David
Moolenaar
Moore
Mortimer
Newell
Nitz
Nofs
Palmer
Palsrok
Pastor
Pavlov
Proos
Robertson
Rocca
Sheltrown
Spade
Stahl
Stakoe
Steil
Stewart
Taub
Van Regenmorter
Vander Veen
Walker
Ward
Wenke

Nays—38

Accavitti
Adamini
Anderson
Bennett
Bieda
Byrnes
Byrum
Cheeks
Clack
Condino
Cushingberry
Donigan
Farrah
Gillard
Gonzales
Hood
Hopgood
Hunter
Kolb
Law, Kathleen
Leland
Lemmons, III
Lemmons, Jr.
Lipsey
McConico
Meisner
Miller
Murphy
Plakas
Polidori
Smith, Alma
Smith, Virgil
Tobocman
Vagnozzi
Waters
Williams
Wojno
Zelenko

In The Chair: Kooiman

The House returned to the consideration of

House Bill No. 5883, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 16a of chapter XVII (MCL 777.16a), as amended by 2004 PA 216.

(The bill was considered earlier today, see today's Journal, p. 2083.)

The question being on the passage of the bill,

The bill was then passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 882 **Yeas—68**

Acciavatti
Amos
Angerer
Ball
Baxter
Booher
Brandenburg
Brown
Casperson
Caswell
Caul
Clemente
DeRoche
Espinoza
Farhat
Gaffney
Garfield
Gleason
Gosselin
Green
Hansen
Hildenbrand
Hoogendyk
Hummel
Hune
Jones
Marleau
Mayes
McDowell
Meisner
Meyer
Moolenaar
Moore
Mortimer
Newell
Nitz
Nofs
Palmer
Palsrok
Rocca
Sak
Schuitmaker
Shaffer
Sheen
Sheltrown
Spade
Stahl
Stakoe
Steil
Stewart
Taub
Van Regenmorter

Dillon
Drolet
Elsenheimer
Emmons
Kahn
Kooiman
LaJoy
Law, David
Pastor
Pavlov
Proos
Robertson
Vander Veen
Walker
Ward
Wenke

Nays—37

Accavitti
Adamini
Anderson
Bennett
Bieda
Byrnes
Byrum
Cheeks
Clack
Condino
Cushingberry
Donigan
Farrah
Gillard
Gonzales
Hood
Hopgood
Hunter
Kolb
Law, Kathleen
Leland
Lemmons, III
Lemmons, Jr.
Lipsey
McConico
Miller
Murphy
Plakas
Polidori
Smith, Alma
Smith, Virgil
Tobocman
Vagnozzi
Waters
Williams
Wojno
Zelenko

In The Chair: Kooiman

The question being on agreeing to the title of the bill,

Rep. Ward moved to amend the title to read as follows:

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 18 of chapter XVII (MCL 777.18), as amended by 2000 PA 304.

The motion prevailed.

The House agreed to the title as amended.

Rep. Ward moved that the bill be given immediate effect.

The question being on the motion made by Rep. Ward,

Rep. Waters demanded the yeas and nays.

The demand was supported.

The question being on the motion made by Rep. Ward,

The motion did not prevail, 2/3 of the members serving not voting therefor, by yeas and nays, as follows:

Roll Call No. 883 **Yeas—67**

Acciavatti
Amos
Angerer
Ball
Baxter
Booher
Brandenburg
Brown
Casperson
Caswell
Caul
Clemente
DeRoche
Dillon
Drolet
Elsenheimer
Emmons
Espinoza
Farhat
Gaffney
Garfield
Gleason
Gosselin
Green
Hansen
Hildenbrand
Hoogendyk
Hummel
Hune
Jones
Kahn
Kooiman
LaJoy
Law, David
Marleau
Mayes
McDowell
Meyer
Moolenaar
Moore
Mortimer
Newell
Nitz
Nofs
Palmer
Palsrok
Pastor
Pavlov
Proos
Robertson
Rocca
Sak
Schuitmaker
Shaffer
Sheen
Sheltrown
Spade
Stahl
Stakoe
Steil
Stewart
Taub
Van Regenmorter
Vander Veen
Walker
Ward
Wenke

Nays—38

Accavitti
Adamini
Cushingberry
Donigan
Leland
Lemmons, III
Polidori
Smith, Alma

Anderson	Farrah	Lemmons, Jr.	Smith, Virgil
Bennett	Gillard	Lipsey	Tobocman
Bieda	Gonzales	McConico	Vagnozzi
Byrnes	Hood	Meisner	Waters
Byrum	Hopgood	Miller	Williams
Cheeks	Hunter	Murphy	Wojno
Clack	Kolb	Plakas	Zelenko
Condino	Law, Kathleen		

In The Chair: Kooiman

By unanimous consent the House returned to the order of

Reports of Select Committees

Senate Bill No. 1085, entitled

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2007; to provide for the expenditure of the appropriations; to prescribe the powers and duties of certain state departments, school districts, and other governmental bodies; and to provide for the disposition of fees and other income received by certain legal entities and state agencies.

The Senate has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The Conference Report was read as follows:

First Conference Report

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

Senate Bill No. 1085, entitled

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2007; to provide for the expenditure of the appropriations; to prescribe the powers and duties of certain state departments, school districts, and other governmental bodies; and to provide for the disposition of fees and other income received by certain legal entities and state agencies.

Recommends:

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

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

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2007; to provide for the expenditure of the appropriations; to prescribe the powers and duties of certain state departments, school districts, and other governmental bodies; and to provide for the disposition of fees and other income received by certain legal entities and state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of education for the fiscal year ending September 30, 2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF EDUCATION

APPROPRIATION SUMMARY:		
Full-time equated unclassified positions 6.0		
Full-time equated classified positions 429.5		
GROSS APPROPRIATION	$	90,665,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	$	0
ADJUSTED GROSS APPROPRIATION	$	90,665,100
Federal revenues:		
Total federal revenues		67,570,600
Special revenue funds:		
Local cost sharing (schools for blind/deaf)		5,687,000
Local school district service fees		298,600
Total local revenues		5,985,600
Gifts, bequests, and donations		505,200

		For Fiscal Year Ending Sept. 30, 2007
Private foundations		2,409,200
Total private revenues		2,914,400
Total local and private revenues		8,900,000
Certification fees		4,860,000
Commodity distribution fees		70,000
Lansing, Michigan school for the blind rent		1,811,100
Student insurance revenue		218,600
Teacher testing fees		317,300
Tenant rent		150,000
Training and orientation workshop fees		100,000
Total other state restricted revenues		7,527,000
State general fund/general purpose	$	6,667,500
Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT		
Full-time equated unclassified positions 6.0		
Full-time equated classified positions 16.0		
State board of education, per diem payments	$	24,400
Unclassified positions—6.0 FTE positions		515,600
State board/superintendent operations—16.0 FTE positions		3,015,600
GROSS APPROPRIATION	$	3,555,600
Appropriated from:		
Federal revenues:		
Federal revenues		1,850,300
Special revenue funds:		
Certification fees		187,300
Private foundations		25,000
State general fund/general purpose	$	1,493,000
Sec. 103. CENTRAL SUPPORT		
Full-time equated classified positions 27.0		
Central support—27.0 FTE positions	$	3,541,000
Education commission of the states		50,000
Worker's compensation		50,000
Building occupancy charges - property management services		1,471,900
Human resources optimization user charges		23,300
Tenant rent		150,000
Training and orientation workshops		100,000
Terminal leave payments		575,400
GROSS APPROPRIATION	$	5,961,600
Appropriated from:		
Federal revenues:		
Federal revenues		3,632,100
Special revenue funds:		
Certification fees		348,600
Local cost sharing (schools for blind/deaf)		68,400
Teacher testing fees		14,500
Tenant rent		150,000
Training and orientation workshop fees		100,000
State general fund/general purpose	$	1,648,000
Sec. 104. INFORMATION TECHNOLOGY SERVICES		
Information technology operations	$	2,614,700
GROSS APPROPRIATION	$	2,614,700
Appropriated from:		
Federal revenues:		
Federal revenues		1,531,500
Special revenue funds:		
Certification fees		204,400
Local cost sharing (schools for blind/deaf)		101,800
State general fund/general purpose	$	777,000

	For Fiscal Year Ending Sept. 30, 2007
Sec. 105. SPECIAL EDUCATION SERVICES	
Full-time equated classified positions.....52.0	
Special education operations—52.0 FTE positions	$ 11,408,700
GROSS APPROPRIATION	$ 11,408,700
Appropriated from:	
Federal revenues:	
Federal revenues	11,049,200
Special revenue funds:	
Certification fees	38,000
Private foundations	103,500
State general fund/general purpose	$ 218,000
Sec. 106. LANSING, MICHIGAN SCHOOL FOR THE BLIND FORMER SITE	
General services	$ 1,821,100
GROSS APPROPRIATION	$ 1,821,100
Appropriated from:	
Interdepartmental grant revenues:	
Special revenue funds:	
Gifts, bequests, and donations	10,000
Lansing, Michigan school for the blind rent	1,811,100
State general fund/general purpose	$ 0
Sec. 107. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND	
Full-time equated classified positions.....96.0	
Michigan schools for the deaf and blind operations—95.0 FTE positions	$ 11,413,800
Summer institute	90,000
Camp Tuhsmeheta—1.0 FTE position	250,100
Private gifts - blind	90,000
Private gifts - deaf	50,000
GROSS APPROPRIATION	$ 11,893,900
Appropriated from:	
Federal revenues:	
Federal revenues	5,375,400
Special revenue funds:	
Local cost sharing (schools for blind/deaf)	5,516,800
Local school district service fees	287,900
Gifts, bequests, and donations	495,200
Student insurance revenue	218,600
State general fund/general purpose	$ 0
Sec. 108. PROFESSIONAL PREPARATION SERVICES	
Full-time equated classified positions.....31.0	
Professional preparation operations—31.0 FTE positions	$ 5,826,800
National board certification	100,000
Department of attorney general	50,000
GROSS APPROPRIATION	$ 5,976,800
Appropriated from:	
Federal revenues:	
Federal revenues	2,687,300
Special revenue funds:	
Certification fees	2,986,700
Teacher testing fees	302,800
State general fund/general purpose	$ 0
Sec. 109. EARLY CHILDHOOD EDUCATION AND FAMILY SERVICES	
Full-time equated classified positions.....25.0	
Early childhood education and family services operations—25.0 FTE positions	$ 4,372,200
GROSS APPROPRIATION	$ 4,372,200
Appropriated from:	
Federal revenues:	
Federal revenues	3,186,800

		For Fiscal Year Ending Sept. 30, 2007
Special revenue funds:		
Certification fees		57,400
Private foundations		187,700
State general fund/general purpose	$	940,300
Sec. 110. SCHOOL IMPROVEMENT SERVICES		
Full-time equated classified positions 74.0		
School improvement operations—74.0 FTE positions	$	16,577,100
Subject area content expectations and guidelines		100,000
GROSS APPROPRIATION	$	16,677,100
Appropriated from:		
Federal revenues:		
Federal revenues		14,884,600
Special revenue funds:		
Certification fees		524,100
Private foundations		1,093,000
State general fund/general purpose	$	175,400
Sec. 111. SCHOOL FINANCE AND SCHOOL LAW SERVICES		
Full-time equated classified positions 21.0		
School finance and school law operations—21.0 FTE positions	$	2,891,400
GROSS APPROPRIATION	$	2,891,400
Appropriated from:		
Federal revenues:		
Federal revenues		1,385,800
Special revenue funds:		
Certification fees		513,500
State general fund/general purpose	$	992,100
Sec. 112. EDUCATIONAL ASSESSMENT AND ACCOUNTABILITY		
Full-time equated classified positions 28.0		
Educational assessment operations—28.0 FTE positions	$	12,328,800
GROSS APPROPRIATION	$	12,328,800
Appropriated from:		
Federal revenues:		
Federal revenues		12,328,800
Special revenue funds:		
State general fund/general purpose	$	0
Sec. 113. GRANTS ADMINISTRATION AND SCHOOL SUPPORT SERVICES		
Full-time equated classified positions 59.5		
Grants administration and school support services operations—59.5 FTE positions	$	8,163,200
Federal and private grants		3,000,000
GROSS APPROPRIATION	$	11,163,200
Appropriated from:		
Federal revenues:		
Federal revenues		9,658,800
Special revenue funds:		
Commodity distribution fees		70,000
Local school district service fees		10,700
Private foundations		1,000,000
State general fund/general purpose	$	423,700

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is $14,194,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is estimated at $0.

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

Sec. 203. As used in this act:

(a) "Department" means the Michigan department of education.

(b) "District" means a local school district as defined in section 6 of the revised school code, 1976 PA 451, MCL 380.6, or a public school academy as defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5.

(c) "FTE" means full-time equated.

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

Sec. 205. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 206. The department shall provide the state budget director and the senate and house fiscal agencies with copies of the state board of education agenda and all supporting documents at the time the agenda and supporting documents are provided to state board of education members.

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

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

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

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

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

Sec. 208. The department shall require all public school districts to maintain complete records within the personnel file of a teacher or school employee of any disciplinary actions taken by the local school board against the teacher or employee for sexual misconduct. The records shall not be destroyed or removed from the teacher's or employee's personnel file except as required by a court order.

Sec. 209. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the departments and agencies and the department of information technology.

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

Sec. 211. Before publishing a list of schools or districts determined to have failed to make adequate yearly progress as required by the federal no child left behind act of 2001, Public Law 107-110, 115 Stat. 1425, the department shall allow a school or district to appeal that determination. The department shall consider and act upon the appeal within 30 days after it is submitted and shall not publish the list until after all appeals have been considered and decided.

Sec. 212. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality.

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

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

Sec. 214. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2007 shall be limited to situations in which 1 or more of the following conditions apply:

(a) The travel is required by legal mandate or court order or for law enforcement purposes.

(b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.

(c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.

(d) The travel is necessary to comply with federal requirements.

(e) The travel is necessary to secure specialized training for staff that is not available within this state.

(f) The travel is financed entirely by federal or nonstate funds.

(2) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the house and senate appropriations committees.

(3) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the chairs and members of the house and senate appropriations committees, the fiscal agencies, and the state budget director. The report shall include the following information:

(a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

(d) A brief statement of the reason for each travel occurrence.

(e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

(f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 215. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 216. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 217. The department shall pay within 60 days of submission the full amount of any bills submitted by the auditor general for all costs incurred by the auditor general while conducting audits of federally funded programs. The department shall expend federal funds allowable under federal law to satisfy any charges billed by the auditor general.

Sec. 218. The department is encouraged to provide information to districts and intermediate districts regarding the benefits and use of automated external defibrillators. Pursuant to section 99c of the state school aid act of 1979, 1979 PA 94, MCL 388.1699c, the department should work with districts receiving funds under that section to secure a bulk-purchase discount from 1 or more manufacturers of automated external defibrillators.

Sec. 220. The department shall provide data requested by a member of the legislature, his or her staff, or the house and senate fiscal agencies in a timely manner.

STATE BOARD/OFFICE OF THE SUPERINTENDENT

Sec. 301. (1) The appropriations in part 1 may be used for per diem payments to the state board for meetings at which a quorum is present or for performing official business authorized by the state board. The per diem payments shall be at a rate as follows:

(a) State board of education - president - $110.00 per day.

(b) State board of education - member other than president - $100.00 per day.

(2) A state board of education member shall not be paid a per diem for more than 30 days per year.

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

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

Sec. 303. From the amount appropriated in part 1 to state board/superintendent operations, not more than $175,000.00 shall be expended for a study by the state board of education to advise the legislature and the governor of local, state, and national best practices in education. The study is to review best practices at all levels of the public education process that encourage effective and efficient organization of schools and support improvement in academic achievement. The study should focus on the delivery of public school programs through school organization and services. The study also should address the current needs in middle school math with respect to meeting the Michigan merit standard graduation requirements. The study may also recommend best practices for financial turnaround methods for urban, suburban, and rural school districts facing deficits.

Sec. 304. From the amount appropriated in part 1 to state board/superintendent operations, $25,000.00 shall be allocated to the department of history, arts, and libraries in cooperation with the Michigan historical society for support of Michigan history day. Activities to be funded under this section include, but are not limited to, teacher training, teacher in-service opportunities, dissemination of Michigan history day information, and support of the annual competition.

MICHIGAN SCHOOLS FOR THE DEAF AND BLIND

Sec. 401. The employees at the Michigan schools for the deaf and blind who work on a school year basis shall be considered annual employees for purposes of service credits, retirement, and insurance benefits.

Sec. 402. For each student enrolled at the Michigan schools for the deaf and blind, the department shall assess the intermediate school district of residence 100% of the cost of operating the student's instructional program. The amount shall exclude room and board related costs and the cost of weekend transportation between the school and the student's home.

Sec. 403. (1) The department may assess rent to any state agency for the use of any facility at the Michigan school for the blind's former site in Lansing. The rental rates and all leasing arrangements shall be subject to the approval of the department of management and budget.

(2) In addition to those funds appropriated in part 1, the department may receive and expend additional funds from lease agreements at the Michigan school for the blind's former site in Lansing that have been negotiated with the approval of the department of management and budget. These funds are appropriated to the department for operation, maintenance, and renovation expenses associated with the leased space designated in the tenant's lease agreement.

(3) Security guards or other patrols at the Michigan school for the blind's former site shall not be funded through part 1 funds appropriated for the Michigan schools for the deaf and blind.

(4) If the department leases real property to a person or organization that is not a department of state government, the department shall not expend funds in excess of the lease revenue received to replace, renovate, or repair that real property. This section shall not apply to emergency repairs or costs associated with technological renovations.

(5) The department shall not lease real property for less than fair market value.

(6) From the unexpended balances of appropriations for the former school for the blind site in Lansing, up to $100,000.00 of any unexpended and unencumbered funds remaining on September 30, 2007 may be carried forward as a work project and expended for special maintenance and repairs of facilities at the former Michigan school for the blind site in Lansing. The work project shall be performed by state employees or by contract when necessary at an estimated cost of $100,000.00. The estimated completion date of the work project is September 30, 2008.

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

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

(3) From the unexpended balances of appropriations for the schools for the deaf and blind operations, up to $250,000.00 of any unexpended and unencumbered funds remaining on September 30, 2007 may be carried forward as a work project and expended for special maintenance and repairs of facilities at the campus of the Michigan schools for the deaf and blind in Flint. The work shall be carried out by state employees, or by contract as necessary, at an estimated cost of $250,000.00. The estimated completion date of the work is September 30, 2008.

Sec. 405. The department may assist the department of community health, other departments, and local school districts to secure reimbursement for eligible services provided in Michigan schools from the federal Medicaid program. The department may submit reports of direct expenses related to this effort to the department of community health for reimbursement.

Sec. 406. (1) The Michigan schools for the deaf and blind may promote its residential program as a possible appropriate option for children who are deaf or hard of hearing or who are blind or visually impaired. The Michigan schools for the deaf and blind shall distribute information detailing its services to all intermediate school districts in the state.

(2) Upon knowledge of or recognition by an intermediate school district that a child in the district is deaf or hard of hearing or blind or visually impaired, the intermediate school district shall provide to the parents of the child the literature distributed by the Michigan schools for the deaf and blind to intermediate school districts under subsection (1).

(3) Parents should continue to have a choice regarding the educational placement of their deaf or hard of hearing children.

PROFESSIONAL PREPARATION SERVICES

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

Sec. 502. The department shall authorize teacher preparation institutions to provide an alternative program by which up to 1/2 of the required student internship or student teaching credits may be earned through substitute teaching. The department shall require that teacher preparation institutions collaborate with school districts to ensure that the quality of instruction provided to student teachers is comparable to that required in a traditional student teaching program.

Sec. 503. Of the funds appropriated in part 1 for professional preparation operations, $100,000.00 shall be allocated to Central Michigan University for the alternative route to certification program. Of the funds appropriated in part 1 for professional preparation operations, $100,000.00 shall be allocated to Wayne State University for the pathways to teaching program.

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

OFFICE OF SCHOOL IMPROVEMENT

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

Sec. 603. The funds appropriated in part 1 for subject area content expectations and guidelines shall be used for the development, approval, and implementation of subject area content expectations and guidelines that apply to the credit requirements of the Michigan merit standard, as required under section 1278b of the revised school code, 1976 PA 451, MCL 380.1278b. The subject area content expectations for science shall include the use of the scientific method to critically evaluate scientific theories included in those content expectations and the use of relevant scientific data to assess the validity of those theories. The subject area content expectations for social studies shall not prohibit or discourage the use of the word ‘American’ in referring to a citizen of the United States.

INFORMATION TECHNOLOGY

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

EDUCATIONAL ASSESSMENT

Sec. 801. (1) From the funds appropriated in part 1 for the educational assessment operations, the department shall provide tests to nonpublic schools and home-schooled students upon request. The department shall notify nonpublic schools that they are eligible to receive the tests.

(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 student scores and the percentage of students choosing each possible response.

GRANTS ADMINISTRATION AND SCHOOL SUPPORT SERVICES

Sec. 901. Within 10 days of the receipt of a grant appropriated in the federal and private grants line item in part 1, the department shall notify the house and senate chairpersons of the appropriations subcommittees responsible for the department budget, the house and senate fiscal agencies, and the state budget director of the receipt of the grant, including the funding source, purpose, and amount of the grant.

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

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2007; to provide for the expenditure of the appropriations; to prescribe the powers and duties of certain state departments, school districts, and other governmental bodies; and to provide for the disposition of fees and other income received by certain legal entities and state agencies.

Ron Jelinek
Alan L. Cropsey
Martha G. Scott
Conferees for the Senate

John Moolenaar
David Farhat
Jim Plakas
Conferees for the House

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

Rep. Ward moved pursuant to Joint Rule 9, that the Journal printing requirement be suspended, printed copies of the conference report having been made available to each Member.

The motion prevailed.

The question being on the adoption of the conference report,

The conference report was then adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 884 **Yeas—105**

Accavitti
Acciavatti
Adamini
Amos
Anderson
Angerer
Ball
Baxter
Bennett
Bieda
Booher
Brandenburg
Brown
Byrnes
Byrum
Casperson
Caswell
Caul
Cheeks
Clack
Clemente
Condino
Cushingberry
DeRoche
Dillon
Donigan
Drolet
Elsenheimer
Emmons
Espinoza
Farhat
Farrah
Gaffney
Garfield
Gillard
Gleason
Gonzales
Gosselin
Green
Hansen
Hildenbrand
Hood
Hoogendyk
Hopgood
Hummel
Hune
Hunter
Jones
Kahn
Kolb
Kooiman
LaJoy
Law, David
Law, Kathleen
Leland
Lemmons, III
Lemmons, Jr.
Lipsey
Marleau
Mayes
McConico
McDowell
Meisner
Meyer
Miller
Moolenaar
Moore
Mortimer
Murphy
Newell
Nitz
Nofs
Palmer
Palsrok
Pastor
Pavlov
Plakas
Polidori
Proos
Robertson
Rocca
Sak
Schuitmaker
Shaffer
Sheen
Sheltrown
Smith, Alma
Smith, Virgil
Spade
Stahl
Stakoe
Steil
Stewart
Taub
Tobocman
Vagnozzi
Van Regenmorter
Vander Veen
Walker
Ward
Waters
Wenke
Williams
Wojno
Zelenko

Nays—0

In The Chair: Kooiman

Rep. Ward moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.

Senate Bill No. 1086, entitled
A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2007; to provide for the expenditure of those appropriations; to create certain funds and accounts; to require certain reports; to prescribe the powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.
The Senate has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.
The Conference Report was read as follows:

First Conference Report

The Committee of Conference on the matters of difference between the two Houses concerning
Senate Bill No. 1086, entitled
A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2007; to provide for the expenditure of those appropriations; to create certain funds and accounts; to require certain reports; to prescribe the powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.
Recommends:
First: That the House recede from the Substitute of the House as passed by the House.
Second: That the Senate and House agree to the Substitute of the Senate as passed by the Senate, amended to read as follows:
A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2007; to provide for the expenditure of those appropriations; to create certain funds and accounts; to require certain reports;

to prescribe the powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of environmental quality for the fiscal year ending September 30, 2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF ENVIRONMENTAL QUALITY

APPROPRIATIONS SUMMARY:		
Full-time equated unclassified positions	6.0	
Full-time equated classified positions	1,561.7	
GROSS APPROPRIATION		$ 444,229,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		18,233,600
ADJUSTED GROSS APPROPRIATION		$ 425,995,900
Federal revenues:		
Total federal revenues		140,338,500
Special revenue funds:		
Total local revenues		0
Total private revenues		450,000
Total other state restricted revenues		251,379,000
State general fund/general purpose		$ 33,828,400
FUND SOURCE SUMMARY:		
Full-time equated unclassified positions	6.0	
Full-time equated classified positions	1,561.7	
GROSS APPROPRIATION		$ 444,229,500
Interdepartmental grant revenues:		
IDG-MDCH, local public health operations		10,472,500
IDG-MDSP		719,800
IDG, Michigan transportation fund		1,020,800
IDT, interdivisional charges		2,053,400
IDT, laboratory services		3,967,100
Total interdepartmental grants and intradepartmental transfers		18,233,600
ADJUSTED GROSS APPROPRIATION		$ 425,995,900
Federal revenues:		
DHHS, federal		6,100
DHS, federal		2,922,700
DOC-NOAA, federal		3,577,000
DOD, federal		1,091,800
DOI, federal		584,500
EPA, brownfield cleanup revolving loan fund		1,000,000
EPA, multiple		131,156,400
Total federal revenues		140,338,500
Special revenue funds:		
Private funds		450,000
Total private revenues		450,000
Aboveground storage tank fees		733,700
Air emissions fees		12,197,800
Aquifer protection revolving fund		400,000
Campground fund		230,700
Clean Michigan initiative - administration		1,111,700
Clean Michigan initiative - clean water fund		3,276,900
Clean Michigan initiative - pollution prevention activities		100,000
Clean Michigan initiative - response activities		14,411,000
Cleanup and redevelopment fund		11,192,300
Community pollution prevention fund		250,000
Environmental pollution prevention fund		1,965,700
Environmental protection bond fund		15,500,000
Environmental protection fund		5,780,400
Environmental response fund		9,647,600

	For Fiscal Year Ending Sept. 30, 2007
Fees and collections	533,400
Financial instruments	5,000,000
Great Lakes protection fund	2,563,200
Groundwater discharge permit fees	1,912,300
Hazardous materials transportation permit fund	211,200
Laboratory data quality recognition fund	15,700
Land and water permit fees	2,364,800
Landfill maintenance trust fund	54,000
Medical waste emergency response fund	230,400
Metallic mining surveillance fee revenue	91,000
Mineral well regulatory fee revenue	238,000
Nonferrous metallic mineral surveillance	210,500
NPDES fees	3,238,300
Oil and gas regulatory fund	7,582,000
Orphan well fund	2,041,200
Public swimming pool fund	525,300
Public utility assessments	777,600
Public water supply fees	3,873,800
Publication revenue	116,400
Refined petroleum fund	30,272,100
Restricted funds	17,787,800
Retired engineers technical assistance fund	1,474,300
Revolving loan revenue bonds	11,400,000
Saginaw Bay and River restoration revenue	169,900
Sand extraction fee revenue	196,300
Scrap tire regulatory fund	5,797,400
Septage waste contingency fund	36,600
Septage waste license fees	1,835,800
Settlement funds	2,037,000
Sewage sludge land application fee	823,700
Small business pollution prevention revolving loan fund	104,000
Soil erosion and sedimentation control training fund	111,400
Solid waste program fees	4,322,000
Stormwater permit fees	2,720,800
Strategic water quality initiatives fund	50,015,300
Underground storage tank fees	3,028,200
Waste reduction fee revenue	4,241,500
Wastewater operator training fees	168,100
Water analysis fees	3,214,100
Water pollution control revolving fund	2,982,400
Water quality protection fund	25,000
Water use reporting fees	238,400
Total other state restricted revenues	251,379,000
State general fund/general purpose	$ 33,828,400
Sec. 102. EXECUTIVE OPERATIONS AND DEPARTMENT SUPPORT	
Full-time equated unclassified positions 6.0	
Full-time equated classified positions 78.0	
Unclassified salaries—6.0 FTE positions	$ 482,600
Administrative hearings	422,600
Automated data processing	2,053,400
Central operations—62.0 FTE positions	6,660,400
Environmental support projects	5,000,000
Executive direction—9.0 FTE positions	2,171,600
Human resource optimization user charges	96,000
Office of the Great Lakes—7.0 FTE positions	973,700
Grant to Michigan legislative council for environmental ombudsman	200,000
Building occupancy charges	7,910,000

		For Fiscal Year Ending Sept. 30, 2007
Rent - privately owned property		2,066,900
GROSS APPROPRIATION	$	28,037,200
Appropriated from:		
Interdepartmental grant revenues:		
IDT, interdivisional charges		2,053,400
IDT, laboratory services		499,900
Federal revenues:		
DOI, federal		155,400
EPA, multiple		268,600
Special revenue funds:		
Environmental protection fund		200,000
Financial instruments		5,000,000
Great Lakes protection fund		563,200
Restricted funds		13,476,900
Settlement funds		101,200
State general fund/general purpose	$	5,718,600
Sec. 103. AIR QUALITY		
Full-time equated classified positions 241.5		
Air quality programs—241.5 FTE positions	$	23,998,500
GROSS APPROPRIATION	$	23,998,500
Appropriated from:		
Federal revenues:		
DHS, federal		1,400,000
EPA, multiple		4,358,900
Special revenue funds:		
Air emissions fees		11,459,100
Environmental response fund		102,400
Fees and collections		393,600
Oil and gas regulatory fund		103,600
Refined petroleum fund		2,747,500
State general fund/general purpose	$	3,433,400
Sec. 104. ENVIRONMENTAL SCIENCE AND SERVICES		
Full-time equated classified positions 184.0		
Program services and grant management—27.5 FTE positions	$	3,352,700
Laboratory services—68.0 FTE positions		6,609,600
Municipal assistance—35.5 FTE positions		5,227,800
Pollution prevention and technical assistance—53.0 FTE positions		5,110,800
Pollution prevention outreach		300,000
Retired engineers technical assistance program		1,474,300
Revitalization revolving loan program		1,000,000
Brownfield grants and loans program		8,811,000
GROSS APPROPRIATION	$	31,886,200
Appropriated from:		
Interdepartmental grant revenues:		
IDT, laboratory services		3,467,200
Federal revenues:		
DOC-NOAA, federal		343,600
EPA, brownfield cleanup revolving loan fund		1,000,000
EPA, multiple		3,344,000
Special revenue funds:		
Private funds		300,000
Air emissions fees		738,700
Clean Michigan initiative - administration		169,600
Clean Michigan initiative - response activities		8,811,000
Environmental protection fund		66,600
Environmental response fund		644,800
Laboratory data quality recognition fund		15,700

		For Fiscal Year Ending Sept. 30, 2007
Public water supply fees		244,200
Retired engineers technical assistance fund		1,474,300
Settlement funds		227,400
Small business pollution prevention revolving loan fund		104,000
Stormwater permit fees		93,200
Strategic water quality initiatives fund		215,300
Waste reduction fee revenue		4,169,700
Wastewater operator training fees		168,100
Water analysis fees		3,214,100
Water pollution control revolving fund		2,333,100
State general fund/general purpose	$	741,600
Sec. 105. OFFICE OF GEOLOGICAL SURVEY		
Full-time equated classified positions 68.0		
Coal and sand dune management—3.0 FTE positions	$	619,600
Metallic mine reclamation—1.0 FTE position		91,000
Mineral wells management—3.0 FTE positions		238,000
Nonferrous metallic mining—2.0 FTE positions		210,500
Orphan well—2.0 FTE positions		2,041,200
Services to oil and gas—57.0 FTE positions		7,243,500
GROSS APPROPRIATION	$	10,443,800
Appropriated from:		
Federal revenues:		
DOI, federal		423,300
Special revenue funds:		
Metallic mining surveillance fee revenue		91,000
Mineral well regulatory fee revenue		238,000
Nonferrous metallic mineral surveillance		210,500
Oil and gas regulatory fund		7,127,100
Orphan well fund		2,041,200
Publication revenue		116,400
Sand extraction fee revenue		196,300
State general fund/general purpose	$	0
Sec. 106. LAND AND WATER MANAGEMENT		
Full-time equated classified positions 129.0		
Program direction—8.0 FTE positions	$	904,500
Field permitting and project assistance—72.0 FTE positions		7,221,000
Great Lakes shorelands—28.0 FTE positions		2,559,000
Water management—21.0 FTE positions		2,618,800
GROSS APPROPRIATION	$	13,303,300
Appropriated from:		
Interdepartmental grant revenues:		
IDG, Michigan transportation fund		968,000
Federal revenues:		
DHS, federal		966,400
DOC-NOAA, federal		1,450,100
EPA, multiple		1,007,500
Special revenue funds:		
Environmental protection fund		1,613,800
Land and water permit fees		1,897,400
State general fund/general purpose	$	5,400,100
Sec. 107. REMEDIATION AND REDEVELOPMENT		
Full-time equated classified positions 297.5		
Contaminated site investigation, cleanup, and revitalization—230.5 FTE positions	$	22,471,700
Federal cleanup project management—67.0 FTE positions		8,139,700
Emergency cleanup actions		4,000,000
Refined petroleum product cleanup program		22,000,000
Environmental cleanup and redevelopment program		21,100,000

		For Fiscal Year Ending Sept. 30, 2007
State cleanup 451		2,500,000
Superfund cleanup		4,000,000
Little Black Creek		35,000
City of St. Louis water supply wells		300,000
City of St. Clair Shores - Lange-Revere canals		500,000
GROSS APPROPRIATION	$	85,046,400
Appropriated from:		
Federal revenues:		
DHHS, federal		6,100
DOD, federal		1,081,900
EPA, multiple		8,403,500
Special revenue funds:		
Private funds		150,000
Clean Michigan initiative - administration		351,600
Clean Michigan initiative - response activities		5,600,000
Cleanup and redevelopment fund		11,192,300
Environmental protection bond fund		15,500,000
Environmental protection fund		3,700,000
Environmental response fund		8,609,900
Landfill maintenance trust fund		54,000
Refined petroleum fund		26,600,700
Settlement funds		1,458,400
State general fund/general purpose	$	2,338,000
Sec. 108. WASTE AND HAZARDOUS MATERIALS		
Full-time equated classified positions 183.5		
Aboveground storage tank program—8.0 FTE positions	$	733,700
Hazardous waste management program—61.0 FTE positions		6,249,200
Low-level radioactive waste authority—2.0 FTE positions		777,600
Medical waste program		230,400
Radiological protection program—16.5 FTE positions		1,383,600
Scrap tire regulatory program—11.0 FTE positions		1,021,800
Solid waste management program—50.0 FTE positions		4,393,800
Underground storage tank program—35.0 FTE positions		3,288,900
GROSS APPROPRIATION	$	18,079,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDSP		719,800
Federal revenues:		
EPA, multiple		3,875,800
Special revenue funds:		
Aboveground storage tank fees		733,700
Environmental pollution prevention fund		1,965,700
Hazardous materials transportation permit fund		211,200
Medical waste emergency response fund		230,400
Public utility assessments		777,600
Scrap tire regulatory fund		1,021,800
Solid waste program fees		4,322,000
Underground storage tank fees		3,028,200
Waste reduction fee revenue		71,800
State general fund/general purpose	$	1,121,000
Sec. 109. WATER		
Full-time equated classified positions 358.2		
Aquifer protection program	$	350,000
Aquifer protection and dispute resolution - IDG to Michigan department of agriculture		50,000
Drinking water and environmental health—114.2 FTE positions		16,463,100
Fish contaminant monitoring		316,100

		For Fiscal Year Ending Sept. 30, 2007
Groundwater discharge—22.0 FTE positions		2,048,300
NPDES nonstormwater program—121.4 FTE positions		10,578,900
Sewage sludge land application program—6.5 FTE positions		823,700
Surface water—94.1 FTE positions		15,083,900
GROSS APPROPRIATION	$	45,714,000
Appropriated from:		
Federal revenues:		
EPA, multiple		19,030,200
Special revenue funds:		
Aquifer protection revolving fund		400,000
Campground fund		230,700
Clean Michigan initiative - administration		590,500
Clean Michigan initiative - clean water fund		3,276,900
Environmental response fund		162,400
Fees and collections		139,800
Groundwater discharge permit fees		1,912,300
Land and water permit fees		467,400
NPDES fees		3,238,300
Public swimming pool fund		525,300
Public water supply fees		2,229,600
Refined petroleum fund		840,200
Saginaw Bay and River restoration revenue		169,900
Septage waste contingency fund		36,600
Septage waste license fees		310,800
Sewage sludge land application fee		823,700
Soil erosion and sedimentation control training fund		111,400
Stormwater permit fees		2,627,600
Water pollution control revolving fund		649,300
Water use reporting fees		238,400
State general fund/general purpose	$	7,702,700
Sec. 110. CRIMINAL INVESTIGATIONS		
Full-time equated classified positions 22.0		
Environmental investigations—22.0 FTE positions	$	2,504,600
GROSS APPROPRIATION	$	2,504,600
Appropriated from:		
Federal revenues:		
DHS, federal		539,000
EPA, multiple		149,000
Special revenue funds:		
Environmental response fund		128,100
Oil and gas regulatory fund		351,300
Scrap tire regulatory fund		275,600
State general fund/general purpose	$	1,061,600
Sec. 111. GRANTS		
Coastal management grants	$	2,000,000
Federal - Great Lakes remedial action plan grants		700,000
Federal - nonpoint source water pollution grants		6,500,000
Grants to counties—air pollution		83,700
Radon grants		90,000
Water pollution control and drinking water revolving fund		97,179,900
Drinking water program grants		1,330,000
Great Lakes research and protection grants		2,000,000
Household hazardous waste collection program		100,000
Local health department operations		10,472,500
Muskegon County		200,000
Noncommunity water grants		1,400,000
Pollution prevention local grants		250,000

		For Fiscal Year Ending Sept. 30, 2007
Real-time water quality monitoring		250,000
Septage waste compliance grants		1,525,000
Scrap tire grants		4,500,000
Strategic water quality initiative loans		9,800,000
Strategic water quality initiative grants		40,000,000
Volunteer river, stream, and creek cleanup		25,000
GROSS APPROPRIATION	$	178,406,100
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDCH, local public health operations		10,472,500
Federal revenues:		
DOC-NOAA, federal		1,700,000
EPA, multiple		88,920,000
Special revenue funds:		
Clean Michigan initiative - pollution prevention activities		100,000
Community pollution prevention fund		250,000
Environmental protection fund		200,000
Great Lakes protection fund		2,000,000
Public water supply fees		1,400,000
Refined petroleum fund		83,700
Revolving loan revenue bonds		11,400,000
Scrap tire regulatory fund		4,500,000
Septage waste license fees		1,525,000
Settlement funds		250,000
Strategic water quality initiatives fund		49,800,000
Water quality protection fund		25,000
State general fund/general purpose	$	5,779,900
Sec. 112. INFORMATION TECHNOLOGY		
Information technology services and projects	$	6,810,400
GROSS APPROPRIATION	$	6,810,400
Appropriated from:		
Interdepartmental grant revenues:		
IDG, Michigan transportation fund		52,800
Federal revenues:		
DHS, federal		17,300
DOC-NOAA, federal		83,300
DOD, federal		9,900
DOI, federal		5,800
EPA, multiple		1,798,900
Special revenue funds:		
Restricted funds		4,310,900
State general fund/general purpose	$	531,500

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is $285,207,400.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is $5,958,700.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF ENVIRONMENTAL QUALITY		
REMEDIATION AND REDEVELOPMENT		
City of St. Louis water supply wells	$	300,000
City of St. Clair Shores – Lange-Revere canals		500,000
WASTE AND HAZARDOUS MATERIALS		
Radiological protection program	$	25,000
GRANTS		
Household hazardous waste collection program	$	100,000
Grants to counties - air pollution		83,700

Muskegon County	200,000
Noncommunity water grants	1,400,000
Real-time water quality monitoring	250,000
Scrap tire grants	1,575,000
Septage waste compliance program	1,525,000
TOTAL $	5,958,700

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

Sec. 203. As used in this act:

(a) "Department" means the department of environmental quality.

(b) "DHHS" means the United States department of health and human services.

(c) "DHS" means the United States department of homeland security.

(d) "DOC" means the United States department of commerce.

(e) "DOC-NOAA" means the DOC national oceanic and atmospheric administration.

(f) "DOD" means the United States department of defense.

(g) "DOI" means the United States department of interior.

(h) "EPA" means the United States environmental protection agency.

(i) "FTE" means full-time equated.

(j) "IDG" means interdepartmental grant.

(k) "IDT" means intradepartmental transfer.

(*l*) "MDCH" means the Michigan department of community health.

(m) "MDSP" means the Michigan department of state police.

(n) "MI" means Michigan.

(o) "NPDES" means national pollutant discharge elimination system.

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

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

(2) The state budget director shall grant exceptions to the hiring freeze described in subsection (1) when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause a loss of revenue to the state, result in the inability of the state to receive federal funds, or would necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

Sec. 206. The department shall use the Internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

Sec. 207. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports. To the extent consistent with federal and state guidelines, the requirements of this section are satisfied if the reports funded from appropriations in part 1 are retained in electronic format.

Sec. 208. By February 15, 2007, the department shall provide the state budget director, the subcommittees on environmental quality of the senate and house appropriations committees, and the senate and house fiscal agencies with an annual report on restricted fund balances, projected revenues, and expenditures for the fiscal years ending September 30, 2006 and September 30, 2007.

Sec. 209. (1) From funds appropriated under part 1, the department shall prepare a report that lists all of the following regarding grant or loan or grant and loan programs administered by the department for the fiscal year ending September 30, 2007:

(a) The name of each program.

(b) The goals of the program, the criteria, eligibility, process, filing fees, nominating procedures, and deadlines for each program.

(c) The maximum and minimum grant and loan available and whether there is a match requirement for each program.

(d) The amount of any required match, and whether in-kind contributions may be used as part or all of a required match.

(e) Information pertaining to the application process, timeline for each program, and the contact people within the department.

(f) The source of funds for each program, including the citation of pertinent authorizing acts.

(g) Information regarding plans for the next fiscal year for the phaseout, expansion, or changes for each program.

(h) A listing of all recipients of grants or loans awarded by the department by type and amount of grant or loan.

(2) The reports required under this section shall be submitted to the state budget office, the senate and house appropriations committees, and senate and house fiscal agencies by January 1, 2007.

Sec. 210. The department shall notify the legislature and shall provide a public meeting and public comment opportunity with respect to any request received by the state of Michigan to divert water from the Great Lakes pursuant to the water resources development act of 1986, Public Law 99-662, 100 Stat. 4082.

Sec. 211. (1) The department shall report all of the following information relative to allocations made from appropriations for the environmental cleanup and redevelopment program, state cleanup, emergency actions, superfund cleanup, the revitalization revolving loan program, the brownfield grants and loans program, the leaking underground storage tank cleanup program, the contaminated lake and river sediments cleanup program, the refined petroleum product cleanup program, and the environmental protection bond projects under section 19508(7) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19508, to the state budget director, the senate and house appropriations subcommittees on environmental quality, and the senate and house fiscal agencies:

(a) The name and location of the site for which an allocation is made.

(b) The nature of the problem encountered at the site.

(c) A brief description of how the problem will be resolved if the allocation is made for a response activity.

(d) The estimated date that site closure activities will be completed.

(e) The amount of the allocation, or the anticipated financing for the site.

(f) A summary of the sites and the total amount of funds expended at the sites at the conclusion of the fiscal year.

(g) The number of sites that would qualify as brownfields that were redeveloped.

(2) The report prepared under subsection (1) shall also include all of the following:

(a) The status of all state-owned facilities that are on the list compiled under part 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20142.

(b) The report shall include the total amount of funds expended during the fiscal year and the total amount of funds awaiting expenditure.

(c) The total amount of bonds issued for the environmental protection bond program pursuant to part 193 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19301 to 324.19306, and bonds issued pursuant to the clean Michigan initiative act, 1998 PA 284, MCL 324.95101 to 324.95108.

(3) The report shall be made available by March 31 of each year.

Sec. 212. (1) The department of environmental quality is authorized to expend amounts remaining from the current and prior fiscal year appropriations to meet funding needs of legislatively approved sites for the environmental cleanup and redevelopment program and the leaking underground storage tank cleanup program.

(2) Unexpended and unencumbered amounts remaining from appropriations from the environmental protection bond fund contained in 2003 PA 173, are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(3) Unexpended and unencumbered amounts remaining from appropriations from the cleanup and redevelopment fund and unclaimed bottle deposits fund contained in 2003 PA 171, 2003 PA 173, 2003 PA 237, and 2004 PA 350 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(4) Unexpended and unencumbered amounts remaining from appropriations from the clean Michigan initiative fund - response activities contained in 2000 PA 52, 2001 PA 120, 2003 PA 173, 2003 PA 237, 2004 PA 309, 2004 PA 350, and 2005 PA 11 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(5) Unexpended and unencumbered amounts remaining from appropriations from the environmental protection fund contained in 2001 PA 43, 2002 PA 520, 2003 PA 171, and 2004 PA 350 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(6) Unexpended and unencumbered amounts remaining from appropriations from the refined petroleum fund activities contained in 2005 PA 154 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

Sec. 213. Of the money appropriated from the environmental education fund in part 1, $5,000.00 shall be allocated to Michigan State University Extension Service - 4-H Youth Programs to fund the Michigan Youth Conservation Council.

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

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

Sec. 216. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2007 shall be limited to situations in which 1 or more of the following conditions apply:

(a) The travel is required by legal mandate or court order or for law enforcement purposes.

(b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.

(c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.

(d) The travel is necessary to comply with federal requirements.

(e) The travel is necessary to secure specialized training for staff that is not available within this state.

(f) The travel is financed entirely by federal or nonstate funds.

(2) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the house and senate appropriations committees.

(3) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the chairs and members of the house and senate appropriations committees, the fiscal agencies, and the state budget director. The report shall include the following information:

(a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

(d) A brief statement of the reason for each travel occurrence.

(e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

(f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 217. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality.

Sec. 218. The department shall collaborate with the statewide public advisory council, local advisory councils, the United States environmental protection agency, and other appropriate federal agencies, the department of natural resources, and other appropriate parties to develop a long-term strategy to restore and formally remove Michigan's Great Lakes areas of concern from the federal listing. Among other information, the strategy should include a list of cleanup, source control, monitoring, and assessment activities eligible for funding under the federal Great Lakes legacy act; their estimated cost; options for meeting any nonfederal funding match requirements for these activities, including recommendations for changes to existing appropriations and program expenditures to qualify as matching funds for federal grant programs; a description of the optimum staffing level for the areas of concern program and available funding options; and a description of the department's role in seeking the formal removal of areas of concern, or specific beneficial use impairments, from the federal list, including minimum cleanup goals for identified impairments based on applicable state and federal regulatory standards and the monitoring programs available for assessing progress in achieving those goals. In addition, the department shall strive to apply for an equitable share of federal funding and technical assistance available to support the area of concern program and strive to provide the funds needed to meet nonfederal funding requirements.

Sec. 219. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 220. The department shall annually report to the state budget director, the senate and house appropriations committees, and the senate and house fiscal agencies an accounting of all civil and criminal fine revenue collected during the year.

Sec. 221. Unexpended settlement revenues at the end of the fiscal year may be carried forward into the settlement fund in the succeeding fiscal year up to a maximum carryforward of $2,500,000.00.

Sec. 222. From the funds appropriated in part 1, the department shall expend not more than $50,000.00 to hire a consulting firm to complete a benchmark study on the air permit, NPDES, and wetland permit programs. This study shall include a calculation of the department's per-permit cost to process the permits, a listing of the timeliness of the

process from receipt of permit application to award or denial of permit, and a comparison of Michigan's performance and practices to those of other Great Lakes states. By December 1, 2006, the department shall issue a request for proposals and select an individual or entity as consultant to perform the benchmark analysis. The consultant selected to perform the benchmark analysis shall be Michigan-based and have a proven ability to evaluate regulatory activities and make recommendations for improvement. This benchmark study shall be completed and submitted to the legislature by March 31, 2007. A stakeholder panel shall be established to assist the consultant in developing this benchmark study. The stakeholder panel shall have a total of 7 members as follows:

(a) Two individuals appointed by the speaker of the house, 1 representing permit holders, and 1 representing small business.

(b) Two individuals appointed by the senate majority leader, 1 representing permit holders and 1 with performance audit experience.

(c) Three individuals appointed by the governor, consisting of 2 employees of the department and 1 person representing the general public.

Sec. 223. It is the intent of the legislature that, on or before January 1, 2007, the department renew the joint agreement, which was initially signed in January 2002, of the United States environmental protection agency and the state to pursue regulatory innovation. It is the intent that the agreement be renewed in a substantially similar form to uphold the principal tenants of the agreement, including, but not limited to, helping farms and farm operations voluntarily prevent or minimize agricultural pollution risks.

Sec. 225. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities and Baldwin in Lake County compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 226. (1) The appropriation in section 102 includes $13,476,900.00 from restricted funds. This funding source shall support the restricted fund requirements, pursuant to subsection (3), for selected line items in the executive operations and administrative support appropriation unit.

(2) The appropriation in section 113 includes $4,310,900.00 from restricted funds. This funding source shall support the restricted fund requirements, pursuant to subsection (3), for the information technology appropriation.

(3) The department shall adopt a cost allocation plan for revenue sources supporting line items listed in sections 102 and 113. This cost allocation plan may be phased in over 3 fiscal years, beginning with the fiscal year ending September 30, 2007.

(4) The department shall provide a report on or before October 31, 2006 to the house and senate appropriations subcommittees on environmental quality and the house and senate fiscal agencies of the line item amounts and detailed revenue sources which support the restricted fund appropriations in sections 102 and 113.

Sec. 227. The department shall submit to the legislature a report that identifies permits that would be required to construct and operate a new oil or alternative fuels refinery in Michigan and recommends legislation and other measures that can be taken by this state to expedite or facilitate the processing of these permits. This report shall be prepared in consultation with the United States environmental protection agency and submitted to the house and senate appropriations subcommittees on environmental quality on or before April 30, 2007.

Sec. 229. The department of environmental quality shall not expend funds to enforce administrative rules, policies, guidelines, or procedures that are more stringent than 40 CFR parts 9, 122, 123, and 412, as finally promulgated. The department shall not implement or enforce administrative rules, policies, guidelines, or procedures that do 1 or more of the following:

(a) Require a farm to obtain a national pollution discharge elimination system permit under part 31 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.3101 to 324.3133, if the farm has not been found by the department to have a regulated discharge of pollutants into waters of this state.

(b) Require submission of field specific information beyond on-site access to the department.

(c) Exceed the agricultural stormwater exemption as defined in the clean water act, 33 USC 1251 to 1387.

AIR QUALITY

Sec. 401. The department shall report quarterly, via the department's Internet website, on air quality program expenditures and revenues. The report shall include expenditures and revenues by fund source and by program function.

ENVIRONMENTAL SCIENCE AND SERVICES

Sec. 501. By July 1, 2007, the department shall prepare and submit a report to the state budget director, the legislature, the chairs of the standing committees of the senate and house of representatives with primary responsibility for issues related to natural resources and the environment, and the chairs of the subcommittees of the senate and house appropriations committees with primary responsibility for appropriations for the department of environmental quality, outlining the implementation of the Great Lakes water quality bond provided for in part 197 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19701 to 324.19708, including, but not limited to, the amount of bonds issued and the date they were issued, the number of applications received for loans from the state

water pollution control revolving fund created in section 16a of the shared credit rating act, 1985 PA 227, MCL 141.1066a, the total amount of loans requested, a listing of the applicants receiving loans and the total amount of loans provided to those applicants, a listing of applicants whose loan applications were not approved and the reasons why those applications were not approved, the amount of the loans granted that were leveraged from bond proceeds, and the remaining bond proceeds and bond authorization.

Sec. 502. Revenues remaining in the interdepartmental transfers, laboratory services at the end of the fiscal year shall carry forward into the succeeding fiscal year.

Sec. 503. From the funds appropriated in part 1, the department, in cooperation with the department of agriculture, shall publish by September 30, 2007 an environmental regulatory compliance guide for the fruit and vegetable processing sector. This guide will cross-reference the updated 2006 edition of the "Michigan Manufacturers Guide to Environmental, Health and Safety Regulations". The department will develop by April 30, 2007 a plan and schedule to develop compliance guides for other small business categories. The guides shall provide information to assist small businesses in complying with state environmental regulatory requirements, including requirements pertaining to wetlands, and shall explain in plain language the actions a small business in each sector is required to take to comply with state regulatory requirements, including how to obtain necessary permits.

Sec. 504. The unexpended funds appropriated in part 1 for the brownfield grants and loans program are considered work project appropriations and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the projects to be carried forward is to provide contaminated site cleanup.

(b) The projects will be accomplished by contract.

(c) The total estimated cost of all projects is $8,811,000.00.

(d) The tentative completion date is September 30, 2011.

LAND AND WATER MANAGEMENT

Sec. 601. The department may waive permit fees for nonprofit organizations conducting approved stream habitat improvement projects.

Sec. 602. The department shall provide a report that defines appropriate beach grooming practices to the senate and house appropriations subcommittees on environmental quality and the senate and house fiscal agencies by April 30, 2007. These beach grooming practices shall be developed in consultation with beach grooming interest groups.

REMEDIATION AND REDEVELOPMENT

Sec. 701. The unexpended funds appropriated in part 1 for emergency cleanup actions, the refined petroleum product cleanup program, and the environmental cleanup and redevelopment program are considered work project appropriations and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the projects to be carried forward is to provide contaminated site cleanup.

(b) The projects will be accomplished by contract.

(c) The total estimated cost of all projects is identified in each line-item appropriation.

(d) The tentative completion date is September 30, 2011.

Sec. 702. From funds appropriated in part 1 for activities related to cleanup sites under part 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20142, the department shall incorporate into remedial action plans area-wide or site-specific cleanup criteria derived from peer-reviewed risk assessment based on bioavailability studies, site-specific human exposure data, and any other scientifically based risk assessment studies that are available and relevant. The department shall submit a report listing efforts made by the department to comply with this section. This report shall be provided to the house and senate appropriations subcommittees on environmental quality on or before January 1, 2007.

Sec. 703. The appropriation in part 1 for city of St. Louis water supply wells shall be used toward the cost of procuring an alternative water supply.

Sec. 704. Within 60 days of enactment of legislation establishing a permanent cleanup program supported by the refined petroleum fund, the department shall submit a listing of cleanup sites funded from the appropriation in part 1 for the refined petroleum product cleanup program to the senate and house appropriations subcommittees on environmental quality, the senate and house fiscal agencies, and the state budget director.

Sec. 705. The funds appropriated in part 1 for the environmental cleanup and redevelopment program shall be used to fund cleanup activities on the following sites:

Site Name	**County**
Former Parts Manufacturing	Alcona
Wayland Recycling	Allegan
Portside Cleaners	Antrim
Village of Mancelona	Antrim
Wickes Manufacturing Mancelona	Antrim

Kavco Landfill	Barry
Residential Wells Niles 3rd St	Berrien
Truck Terminals	Berrien
Butler Motor Speedway	Branch
Marshall Iron & Metal	Calhoun
Cass St Area Edwardsburg	Cass
Henco Enterprises	Cass
Southwest Cass Co Landfill	Cass
U.S. Aviex	Cass
Gladstone Creosote Discharge	Delta
Gladwin Bulk Oil Plant State St	Gladwin
Alma Iron Metal Smith Property	Gratiot
Gratiot County Landfill	Gratiot
Gratiot Metals Property	Gratiot
Americhem Corporation	Ingham
E.A. Woods	Iosco
Hedblum Industries	Iosco
Residential Wells Bachman Rd	Iosco
Buck Mine Discharge	Iron
Jourdian	Isabella
Horton Company	Jackson
Ryerson-Haynes	Jackson
Lakeside Refining	Kalamazoo
North 34th St Area Richland	Kalamazoo
Schoolcraft Area Organics Contamination	Kalamazoo
Franklin Metal Trading Corp (CEMSI)	Kent
Smiths Industries	Kent
Sparta Foundry (Federal Mogul)	Kent
Wash King Laundry	Lake
Howard Street Area	Lapeer
Grand Traverse Overall Supply	Leelanau
Adrian Dry Cleaner	Lenawee
Residential Wells Holly Road	Livingston
Mason County Landfill	Mason
Crystal Refinery	Montcalm
Peerless Plating	Muskegon
Story/Ott/Cordova Chemical Co	Muskegon
Zephyr, Inc (Naph-Sol Refining)	Muskegon
Coe's Cleaners	Oakland
Rockcroft Street Residential Wells	Oakland
Sanicem Landfill	Oakland
Six Star Landfill (AKA) Stan's Trucking	Oakland
Waterford Hills Sanitary Landfill	Oakland
Franklin Forge	Ogemaw
Hoskins Manufacturing	Oscoda
Fenske Landfill Ottawa Co	Ottawa
Former Burnside Manufacturing Co	Ottawa
MDOT M13 Ramps	Saginaw
National Plate Glass (L.A. Davidson)	Saginaw
Black River St 2381	Sanilac
Magnetek	Shiawassee
Fort Gratiot Sanitary Landfill	St. Clair
Huron Development Landfill	St. Clair
Winchester Disposal	St. Clair
Belgravia (former Hamlin Overton)	Van Buren
Green Acres Subdivision	Van Buren
CYB Tool (former)	Wayne
Feister Oil Co	Wayne
AAR Cadillac Manufacturing	Wexford

Cadillac Area Groundwater Contamination - Rexair	Wexford
Mitchell Bentley - Cadillac	Wexford
Formerly Used Defense Sites	State-wide

WASTE AND HAZARDOUS MATERIALS

Sec. 801. The department shall notify the members of the senate and house of representatives of the appropriate district at least 48 hours in advance of a departmental order which suspends or red tags any wholesale or retail sale of petroleum products. If imminent public health and safety concerns require action on a department order in less than 48 hours, the department shall notify the appropriate members of the senate and house of representatives of the department order within 48 hours after the action is completed.

Sec. 802. It is the intent of the legislature that the recommendations of the site review board, as established in section 11117 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11117, are the final approval for each site construction permit application that is referred to the board by the department.

Sec. 803. The department shall annually provide a report to the city of Romulus, city of Taylor, and Wayne County containing all of the following:

(a) Information concerning the release or discharge of any hazardous waste or hazardous waste constituent that may endanger public drinking water supplies or the environment.

(b) Information concerning the fire, explosion, or other release or discharge of any hazardous waste or hazardous waste constituent that could threaten human health or the environment or a spill that has reached surface water or groundwater.

(c) A summary of groundwater quality data, data graphs, data tables, statistical analyses to date, and identification of any statistically significant increases.

(d) With respect to the information described in subdivisions (a) to (c), a description of any noncompliance and its cause; the periods of noncompliance, including exact dates and times; whether the noncompliance has been corrected and, if not, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent recurrence of the noncompliance and when those activities occurred or will occur.

WATER

Sec. 901. By February 1, 2007, the department shall submit a report on the department's use of the national pollutant discharge elimination system fund created in MCL 324.3121 for the previous fiscal year, to the senate and house appropriations subcommittees on environmental quality, the standing committees of the legislature with jurisdiction over issues primarily related to natural resources and the environment, and the senate and house fiscal agencies. The report shall include a summary of how the appropriations in part 1 for NPDES nonstormwater program were used for the various permissible uses of the fund and shall include specific information on all of the following:

(a) The number of compliance and complaint inspections completed, by category, the number of on-site compliance inspections conducted, and the number of compliance inspections that were not announced in advance to the permittee or licensee.

(b) The number and percent of permit and license inspections that were found to be in significant noncompliance, by category.

(c) The number of administrative enforcement actions taken for permit or license violations and the results of the enforcement actions, including the amount of fines and penalties collected.

(d) The number of judicial enforcement actions taken for permit or license violations and the results of the enforcement actions, including the amount of fines and penalties collected.

(e) A listing of the supplemental environmental projects agreed to as a result of a consent agreement including all of the following: the case name, the monetary value of the supplemental environmental project, and a description of the project.

Sec. 902. Of the funds appropriated in part 1 for safe drinking water assistance activities under part 54 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.5401 to 324.5418, the department shall allocate the full 2% available for technical assistance under 42 USC 300j-12.

GRANTS

Sec. 1101. If a certified health department does not exist in a city, county, or district or does not fulfill its responsibilities under part 117 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11701 to 324.11720, then the department may spend funds appropriated in part 1 under the septage waste compliance program in accordance with section 11716 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11716.

Sec. 1102. Of the funds appropriated in part 1 for scrap tire grants, $100,000.00 shall be available for grants to communities to cover scrap tire fire suppression costs, provided owner liability bonds and other available funding sources have been exhausted.

Sec. 1103. The appropriation in part 1 for a real-time water quality monitoring grant is a grant to Macomb County and St. Clair County to support a real-time water quality monitoring program in the St. Clair watershed. By September 30, 2007, grant recipients shall report to the department on the plan, implementation, and status of the project. The department shall forward the report to the state budget director, the senate and house appropriations subcommittees on environmental quality, the senate and house standing committees on natural resources and environmental issues, and the senate and house fiscal agencies.

Sec. 1104. The appropriation in part 1 for Muskegon County is to provide partial funding support for the development of a wetlands at the Muskegon County wastewater treatment facility along the Little Black Creek.

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

A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2007; to provide for the expenditure of those appropriations; to create certain funds and accounts; to require certain reports; to prescribe the powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

Michelle McManus
Mike Goschka
Jim Barcia
Conferees for the Senate

John Pastor
John Moolenaar
Chris Kolb
Conferees for the House

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

Rep. Ward moved pursuant to Joint Rule 9, that the Journal printing requirement be suspended, printed copies of the conference report having been made available to each Member.

The motion prevailed.

The question being on the adoption of the conference report,

The conference report was then adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 885 **Yeas—105**

Accavitti
Acciavatti
Adamini
Amos
Anderson
Angerer
Ball
Baxter
Bennett
Bieda
Booher
Brandenburg
Brown
Byrnes
Byrum
Casperson
Caswell
Caul
Cheeks
Clack
Clemente
Condino
Cushingberry
DeRoche
Dillon
Donigan
Drolet
Elsenheimer
Emmons
Espinoza
Farhat
Farrah
Gaffney
Garfield
Gillard
Gleason
Gonzales
Gosselin
Green
Hansen
Hildenbrand
Hood
Hoogendyk
Hopgood
Hummel
Hune
Hunter
Jones
Kahn
Kolb
Kooiman
LaJoy
Law, David
Law, Kathleen
Leland
Lemmons, III
Lemmons, Jr.
Lipsey
Marleau
Mayes
McConico
McDowell
Meisner
Meyer
Miller
Moolenaar
Moore
Mortimer
Murphy
Newell
Nitz
Nofs
Palmer
Palsrok
Pastor
Pavlov
Plakas
Polidori
Proos
Robertson
Rocca
Sak
Schuitmaker
Shaffer
Sheen
Sheltrown
Smith, Alma
Smith, Virgil
Spade
Stahl
Stakoe
Steil
Stewart
Taub
Tobocman
Vagnozzi
Van Regenmorter
Vander Veen
Walker
Ward
Waters
Wenke
Williams
Wojno
Zelenko

Nays—0

In The Chair: Kooiman

Rep. Ward moved that the bill be given immediate effect.

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

Senate Bill No. 1094, entitled

A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2007; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

The Senate has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The Conference Report was read as follows:

First Conference Report

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

Senate Bill No. 1094, entitled

A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2007; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

Recommends:

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

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

A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2007; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of natural resources for the fiscal year ending September 30, 2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF NATURAL RESOURCES

APPROPRIATION SUMMARY:		
Full-time equated unclassified positions 6.0		
Full-time equated classified positions 2,086.4		
GROSS APPROPRIATION	$	291,513,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		3,765,900
ADJUSTED GROSS APPROPRIATION	$	287,747,300
Federal revenues:		
Total federal revenues		43,464,300
Special revenue funds:		
Total local revenues		0
Total private revenues		3,125,100
Total other state restricted revenues		215,888,300
State general fund/general purpose	$	25,269,600
FUND SOURCE SUMMARY:		
Full-time equated unclassified positions 6.0		
Full-time equated classified positions 2,086.4		
GROSS APPROPRIATION	$	291,513,200
Interdepartmental grant revenues:		
IDG, engineering services to work orders		1,904,700
IDG, land acquisition services to work orders		414,800
IDG, MacMullan conference center revenue		1,446,400
Total interdepartmental grants and intradepartmental transfers		3,765,900
ADJUSTED GROSS APPROPRIATION	$	287,747,300

	For Fiscal Year Ending Sept. 30, 2007
Federal revenues:	
DAG, federal	7,237,800
DAG, timber revenue	3,300,000
DHS-USCG, federal	5,743,300
DOC, federal	69,200
DOE, federal	1,000
DOI, federal	24,584,400
DOI, oil and gas royalty revenue	150,000
DOT, federal	2,100,000
EPA, federal	278,600
Total federal revenues	43,464,300
Special revenue funds:	
Private funds	2,625,100
Private - gift revenues	500,000
Total private revenues	3,125,100
Aircraft fees	252,700
Air photo fees - geographic information system	34,300
Cervidae licensing and inspection fees	95,700
Clean Michigan initiative fund	56,000
Clean Michigan initiative - clean water fund	2,000,000
Commercial forest fund	49,600
Forest development fund	34,277,900
Forestland user charges	326,500
Forest recreation fund	1,439,500
Game and fish protection fund	64,965,900
Game and fish protection fund - deer habitat reserve	2,565,400
Game and fish protection fund - fisheries settlement	964,700
Game and fish protection fund - turkey permit fees	1,751,600
Game and fish protection fund - waterfowl fees	106,100
Game and fish - wildlife resource protection fund	1,643,200
Game and fish protection fund - youth hunting and fishing education and outreach fund	27,700
Harbor development fund	290,100
Land exchange facilitation fund	6,086,700
Marine safety fund	4,716,000
Michigan civilian conservation corps endowment fund	1,137,300
Michigan natural resources trust fund	3,095,000
Michigan state parks endowment fund	12,974,000
Michigan state waterways fund	16,689,600
Nongame wildlife fund	696,100
Off-road vehicle trail improvement fund	4,297,400
Park improvement fund	41,173,600
Publications revenue	900
Recreation improvement fund	1,463,200
Safety education fund	211,000
Shop fees	66,300
Snowmobile registration fee revenue	2,258,200
Snowmobile trail improvement fund	9,926,100
Sportsmen against hunger fund	250,000
Total other state restricted revenues	215,888,300
State general fund/general purpose	$ 25,269,600
Sec. 102. EXECUTIVE	
Full-time equated unclassified positions 6.0	
Full-time equated classified positions 45.6	
Commission (including travel expense—per diem)	$ 91,300
Unclassified salaries—6.0 FTE positions	416,500
Communications—33.6 FTE positions	3,615,700
Executive direction—12.0 FTE positions	2,158,000

		For Fiscal Year Ending Sept. 30, 2007
Project F.I.S.H		25,000
GROSS APPROPRIATION	$	6,306,500
Appropriated from:		
Interdepartmental grant revenues:		
IDG, MacMullan conference center revenue		23,100
Special revenue funds:		
Aircraft fees		500
Air photo fees - geographic information system		1,100
Forest development fund		324,700
Forestland user charges		6,500
Forest recreation fund		27,300
Game and fish protection fund		1,829,800
Game and fish protection fund - deer habitat reserve		37,200
Game and fish protection fund - fisheries settlement		10,200
Game and fish protection fund - turkey permit fees		15,900
Game and fish protection fund - waterfowl fees		900
Game and fish - wildlife resource protection fund		15,600
Game and fish protection fund - youth hunting and fishing education and outreach fund		27,700
Harbor development fund		600
Land exchange facilitation fund		63,600
Marine safety fund		29,100
Michigan civilian conservation corps endowment fund		2,600
Michigan natural resources trust fund		32,100
Michigan state parks endowment fund		130,100
Michigan state waterways fund		281,700
Nongame wildlife fund		11,000
Off-road vehicle trail improvement fund		23,400
Park improvement fund		2,404,500
Publications revenue		500
Recreation improvement fund		13,000
Snowmobile registration fee revenue		4,400
Snowmobile trail improvement fund		46,200
State general fund/general purpose	$	943,200
Sec. 103. ADMINISTRATIVE SERVICES		
Full-time equated classified positions 81.0		
Budget and support services—10.0 FTE positions	$	1,006,700
Financial services—27.0 FTE positions		2,670,200
Grants management—15.0 FTE positions		1,317,400
Human resources—21.0 FTE positions		2,163,600
Human resources optimization user charges		158,700
Internal audit—8.0 FTE positions		849,200
GROSS APPROPRIATION	$	8,165,800
Appropriated from:		
Interdepartmental grant revenues:		
IDG, MacMullan conference center revenue		14,800
Federal revenues:		
DOI, federal		355,400
Special revenue funds:		
Aircraft fees		3,200
Air photo fees - geographic information system		3,500
Clean Michigan initiative fund		56,000
Commercial forest fund		1,800
Forest development fund		990,200
Forestland user charges		1,000
Forest recreation fund		81,100
Game and fish protection fund		1,595,200
Game and fish protection fund - deer habitat reserve		53,800

		For Fiscal Year Ending Sept. 30, 2007
Game and fish protection fund - fisheries settlement		21,400
Game and fish protection fund - turkey permit fees		32,600
Game and fish protection fund - waterfowl fees		4,500
Game and fish - wildlife resource protection fund		35,000
Harbor development fund		7,000
Land exchange facilitation fund		74,400
Marine safety fund		167,400
Michigan civilian conservation corps endowment fund		49,100
Michigan natural resources trust fund		811,000
Michigan state parks endowment fund		204,000
Michigan state waterways fund		470,400
Nongame wildlife fund		23,100
Off-road vehicle trail improvement fund		68,600
Park improvement fund		1,498,200
Publications revenue		400
Recreation improvement fund		20,500
Safety education fund		2,500
Shop fees		400
Snowmobile registration fee revenue		99,700
Snowmobile trail improvement fund		238,100
State general fund/general purpose	$	1,181,500
Sec. 104. LAND AND FACILITIES		
Full-time equated classified positions 134.2		
Land and facilities—134.2 FTE positions	$	20,009,500
GROSS APPROPRIATION	$	20,009,500
Appropriated from:		
Interdepartmental grant revenues:		
IDG, engineering services to work orders		1,904,700
IDG, land acquisition services to work orders		414,800
IDG, MacMullan conference center revenue		1,374,100
Special revenue funds:		
Aircraft fees		124,900
Forest development fund		1,766,400
Forestland user charges		13,100
Forest recreation fund		10,700
Game and fish protection fund		7,096,700
Land exchange facilitation fund		5,848,200
Marine safety fund		72,700
Michigan natural resources trust fund		5,600
Michigan state parks endowment fund		112,300
Michigan state waterways fund		295,200
Off-road vehicle trail improvement fund		23,100
Park improvement fund		535,500
Snowmobile trail improvement fund		65,200
State general fund/general purpose	$	346,300
Sec. 105. DEPARTMENTAL OPERATION SUPPORT		
Building occupancy charges	$	2,111,100
Rent - privately owned property		515,000
Gifts and bequests		500,000
GROSS APPROPRIATION	$	3,126,100
Appropriated from:		
Special revenue funds:		
Private - gift revenues		500,000
Forest development fund		882,500
Forest recreation fund		20,700
Game and fish protection fund		546,300
Game and fish protection fund - deer habitat reserve		21,100

		For Fiscal Year Ending Sept. 30, 2007
Game and fish protection fund - fisheries settlement		6,800
Game and fish protection fund - turkey permit fees		20,200
Game and fish - wildlife resource protection fund		7,600
Land exchange facilitation fund		13,000
Marine safety fund		34,500
Michigan natural resources trust fund		42,500
Michigan state parks endowment fund		242,600
Michigan state waterways fund		180,100
Park improvement fund		412,800
Snowmobile trail improvement fund		22,000
State general fund/general purpose	$	173,400
Sec. 106. WILDLIFE MANAGEMENT		
Full-time equated classified positions 195.7		
Wildlife management—186.7 FTE positions	$	27,192,300
Natural resources heritage—9.0 FTE positions		1,311,100
Cormorant control		150,000
State game and wildlife area maintenance		500,000
GROSS APPROPRIATION	$	29,153,400
Appropriated from:		
Federal revenues:		
DAG, federal		100,400
DOI, federal		11,379,300
EPA, federal		1,000
Special revenue funds:		
Private funds		111,300
Cervidae licensing and inspection fees		95,700
Forest development fund		61,600
Game and fish protection fund		10,363,800
Game and fish protection fund - deer habitat reserve		2,358,000
Game and fish protection fund - turkey permit fees		1,620,600
Game and fish protection fund - waterfowl fees		100,700
Nongame wildlife fund		622,600
Sportsmen against hunger fund		250,000
State general fund/general purpose	$	2,088,400
Sec. 107. FISHERIES MANAGEMENT		
Full-time equated classified positions 225.0		
Aquatic resource mitigation—3.0 FTE positions	$	899,400
Fish production—62.0 FTE positions		8,318,800
Fisheries resource management—160.0 FTE positions		20,800,100
GROSS APPROPRIATION	$	30,018,300
Appropriated from:		
Federal revenues:		
DOC, federal		51,700
DOE, federal		1,000
DOI, federal		8,441,200
EPA, federal		160,100
Special revenue funds:		
Private funds		112,800
Clean Michigan initiative - clean water fund		2,000,000
Game and fish protection fund		18,353,100
Game and fish protection fund - fisheries settlement		898,400
State general fund/general purpose	$	0
Sec. 108. PARKS AND RECREATION		
Full-time equated classified positions 794.9		
Bay City State Park	$	100,000
Michigan civilian conservation corps—3.0 FTE positions		1,057,000
Petoskey breakwall		400,000
Recreational boating—163.5 FTE positions		14,038,100
State parks—628.4 FTE positions		45,663,600

		For Fiscal Year Ending Sept. 30, 2007
State parks improvement revenue bonds - debt service		1,119,600
GROSS APPROPRIATION	$	62,378,300
Appropriated from:		
Interdepartmental grant revenues:		
Federal revenues:		
EPA, federal		116,500
Special revenue funds:		
Private funds		352,300
Harbor development fund		277,000
Michigan civilian conservation corps endowment fund		1,057,000
Michigan state parks endowment fund		11,695,000
Michigan state waterways fund		14,261,100
Off-road vehicle trail improvement fund		235,500
Park improvement fund		34,383,900
State general fund/general purpose	$	0
Sec. 109. FOREST, MINERAL, AND FIRE MANAGEMENT		
Full-time equated classified positions 342.5		
Adopt-a-forest program	$	25,000
Cooperative resource programs—10.5 FTE positions		2,647,600
Forest and timber treatments—121.0 FTE positions		16,116,500
Forest fire equipment		1,700,000
Forest fire protection—133.5 FTE positions		10,838,100
Forest management initiatives—9.2 FTE positions		902,700
Forest management planning—18.0 FTE positions		5,600,100
Forest recreation and trails—33.0 FTE positions		4,978,600
Minerals management—17.3 FTE positions		2,145,400
GROSS APPROPRIATION		44,954,000
Appropriated from:		
Federal revenues:		
DAG, federal		2,312,400
DOI, federal		2,000
EPA, federal		1,000
Special revenue funds:		
Private funds		898,700
Aircraft fees		124,100
Air photo fees - geographic information system		26,300
Commercial forest fund		46,300
Forest development fund		28,806,900
Forestland user charges		293,100
Forest recreation fund		1,176,200
Game and fish protection fund		1,654,700
Michigan natural resources trust fund		1,112,600
Michigan state parks endowment fund		548,700
Michigan state waterways fund		374,000
Off-road vehicle trail improvement fund		399,600
Recreation improvement fund		313,000
Shop fees		65,900
Snowmobile trail improvement fund		2,147,600
State general fund/general purpose	$	4,650,900
Sec. 110. LAW ENFORCEMENT		
Full-time equated classified positions 267.5		
General law enforcement—257.5 FTE positions	$	29,909,300
Wildlife resource protection—10.0 FTE positions		1,644,700
GROSS APPROPRIATION	$	31,554,000
Appropriated from:		
Federal revenues:		
DHS-USCG, federal		4,273,300

		For Fiscal Year Ending Sept. 30, 2007
DOC, federal		17,500
DOI, federal		1,239,600
Special revenue funds:		
Forest recreation fund		57,500
Game and fish protection fund		18,213,200
Game and fish - wildlife resource protection fund		1,529,700
Marine safety fund		1,521,900
Off-road vehicle trail improvement fund		1,189,800
Park improvement fund		239,900
Safety education fund		58,500
Snowmobile registration fee revenue		980,900
State general fund/general purpose	$	2,232,200
Sec. 111. PAYMENTS IN LIEU OF TAXES		
Swamp and tax reverted lands	$	7,071,500
Purchased lands		5,400,000
Special payments to counties		170,000
Commercial forest reserves		2,662,600
GROSS APPROPRIATION	$	15,304,100
Appropriated from:		
Special revenue funds:		
Game and fish protection fund		2,040,000
Michigan natural resources trust fund		520,000
Michigan state waterways fund		140,000
State general fund/general purpose	$	12,604,100
Sec. 112. GRANTS		
Federal - clean vessel act grants	$	100,000
Federal - forest stewardship grants		625,000
Federal - land and water conservation fund payments		3,066,900
Federal - rural community fire protection		300,000
Federal - urban forestry grants		4,000,000
Grants to communities - federal oil, gas, and timber payments		3,450,000
National recreational trails		2,150,000
Accessibility grants		1,000,000
Game and nongame wildlife fund grants		10,000
Grant to counties - marine safety		4,275,000
Inland fisheries resources grants		200,000
Off-road vehicle safety training grants		150,000
Off-road vehicle trail improvement grants		2,357,400
Recreation improvement fund grants		1,100,000
Grant to Gladwin County - Chappel dam maintenance		300,000
Snowmobile law enforcement grants		1,142,000
Snowmobile local grants program		7,314,000
GROSS APPROPRIATION	$	31,540,300
Appropriated from:		
Federal revenues:		
DAG, federal		4,825,000
DAG, timber revenue		3,300,000
DHS-USCG, federal		1,470,000
DOI, federal		3,166,900
DOI, oil and gas royalty revenue		150,000
DOT, federal		2,100,000
Special revenue funds:		
Private funds		1,150,000
Game and fish protection fund		500,000
Marine safety fund		2,805,000
Nongame wildlife fund		10,000
Off-road vehicle trail improvement fund		2,357,400

		For Fiscal Year Ending Sept. 30, 2007
Recreation improvement fund		1,100,000
Safety education fund		150,000
Snowmobile registration fee revenue		1,142,000
Snowmobile trail improvement fund		7,314,000
State general fund/general purpose	$	0
Sec. 113. INFORMATION TECHNOLOGY		
Information technology services and projects	$	9,002,900
GROSS APPROPRIATION	$	9,002,900
Appropriated from:		
Interdepartmental grant revenues:		
IDG, MacMullan conference center revenue		34,400
Special revenue funds:		
Air photo fees - geographic information system		3,400
Commercial forest fund		1,500
Forest development fund		1,445,600
Forestland user charges		12,800
Forest recreation fund		66,000
Game and fish protection fund		2,773,100
Game and fish protection fund - deer habitat reserve		95,300
Game and fish protection fund - fisheries settlement		27,900
Game and fish protection fund - turkey permit fees		62,300
Game and fish - wildlife resource protection fund		55,300
Harbor development fund		5,500
Land exchange facilitation fund		87,500
Marine safety fund		85,400
Michigan civilian conservation corps endowment fund		28,600
Michigan natural resources trust fund		571,200
Michigan state parks endowment fund		41,300
Michigan state waterways fund		687,100
Nongame wildlife fund		29,400
Park improvement fund		1,698,800
Recreation improvement fund		16,700
Snowmobile registration fee revenue		31,200
Snowmobile trail improvement fund		93,000
State general fund/general purpose	$	1,049,600

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is $241,157,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is $29,482,500.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF NATURAL RESOURCES		
PAYMENTS IN LIEU OF TAXES		
Commercial forest reserves	$	2,662,600
Purchased lands		5,400,000
Special payments to counties		170,000
Swamp and tax reverted lands		7,071,500
GRANTS		
Grants to counties - marine safety	$	2,805,000
Grant to Gladwin County - Chappel dam maintenance		300,000
Off-road vehicle safety training grants		150,000
Off-road vehicle trail improvement grants		2,357,400
Recreation improvement fund grants		110,000
Snowmobile law enforcement grants		1,142,000
Snowmobile local grants program		7,314,000
TOTAL	$	29,482,500

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

Sec. 203. As used in this act:

(a) "Commission" means the commission of natural resources.

(b) "DAG" means the United States department of agriculture.

(c) "Department" means the department of natural resources.

(d) "DHS" means the United States department of homeland security.

(e) "DOC" means the United States department of commerce.

(f) "DOE" means the United States department of energy.

(g) "DOI" means the United States department of interior.

(h) "DOT" means the United States department of transportation.

(i) "EPA" means the United States environmental protection agency.

(j) "FTE" means full-time equated.

(k) "IDG" means interdepartmental grant.

(*l*) "USCG" means the United States coast guard.

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

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

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

Sec. 206. The department shall use the Internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

Sec. 207. Within 14 days after the release of the executive budget recommendation, the department shall provide the state budget director, the senate and house appropriations subcommittees on natural resources, and the senate and house fiscal agencies with an annual report on estimated restricted fund balances, projected revenues, and expenditures for the fiscal years ending September 30, 2006 and September 30, 2007.

Sec. 208. (1) From the funds appropriated under part 1, the department shall prepare a report that lists all of the following regarding grant, loan, or grant and loan programs administered by the department for the fiscal year ending on September 30, 2007:

(a) The name of each program.

(b) The goals, criteria, filing fees, nominating procedures, eligibility requirements, processes, and deadlines for each program.

(c) The maximum and minimum grant and loan available and whether there is a match requirement for each program.

(d) The amount of any required match, and whether in-kind contributions may be used as part or all of a required match.

(e) Information pertaining to the application process, timeline for each program, and the contact people within the department.

(f) The source of funds for each program, including the citation of pertinent authorizing acts.

(g) Information regarding plans for the next fiscal year for the phaseout, expansion, or changes for each program.

(h) A listing of all recipients of grants or loans awarded by the department by type and amount of grant or loan during the fiscal year ending September 30, 2006.

(2) The reports required under this section shall be submitted to the state budget director, the senate and house appropriations committees, and the senate and house fiscal agencies by January 1, 2007.

Sec. 209. Appropriations of state restricted game and fish protection funds have been made to the following departments and agencies in their respective appropriation acts. The amounts appropriated to these departments and agencies are listed below:

Department of civil service	$	409,100
History, arts, and libraries		2,400
Legislative auditor general		21,400
Attorney general		740,800

Department of management and budget 259,100
Department of treasury..... 11,700

Sec. 210. Before January 31, 2007, the department, in cooperation with the Michigan state waterways commission, shall provide to the state budget director, the senate and house appropriation subcommittees on natural resources, and the senate and house fiscal agencies a list of projects completed by the commission in fiscal year 2005-2006, including the county and municipality in which each project is located.

Sec. 211. Pursuant to section 43703(3) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.43703, there is appropriated from the game and fish protection trust fund to the game and fish protection fund, $6,000,000.00 for the fiscal year ending September 30, 2007.

Sec. 212. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 213. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 214. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2007 shall be limited to situations in which 1 or more of the following conditions apply:

(a) The travel is required by legal mandate or court order or for law enforcement purposes.

(b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.

(c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.

(d) The travel is necessary to comply with federal requirements.

(e) The travel is necessary to secure specialized training for staff that is not available within this state.

(f) The travel is financed entirely by federal or nonstate funds.

(2) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the house and senate appropriations committees.

(3) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the chairs and members of the house and senate appropriations committees, the fiscal agencies, and the state budget director. The report shall include the following information:

(a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

(d) A brief statement of the reason for each travel occurrence.

(e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

(f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 215. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality.

Sec. 216. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 218. (1) From the funds appropriated in part 1, the department is prohibited from transporting employees of institutions of higher education on state-owned aircraft, unless the transport is consistent with the mission of the department.

(2) From the funds appropriated in part 1, the department is prohibited from transporting legislators or legislative staff on state-owned aircraft without prior approval from the senate majority leader or the speaker of the house of representatives, or both.

(3) From the funds appropriated in part 1, the department is prohibited from transporting local government employees on state-owned aircraft.

(4) It is the intent of the legislature that state elected officials use commercial or other private air service, unless air travel on state-owned aircraft is part of official state business.

(5) This section does not apply to transportation that is related to law enforcement or homeland security activities.

Sec. 219. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities and Baldwin in Lake County compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 220. The department shall develop a plan for allocating restricted funds among department administrative support and regulatory activities. This plan shall be submitted to the house and senate appropriations subcommittees on natural resources by January 30, 2007. This plan shall include a cost allocation plan for financial services support, office space rent and building occupancy charges, and support division service for information systems and technology and a methodology to use information generated through activity reports that identifies the percentage of employee time spent on restricted fund activities.

EXECUTIVE

Sec. 301. The amount appropriated in part 1 for Project F.I.S.H. is a grant to that organization. The department shall collaborate with Project F.I.S.H. to increase the number of anglers in Michigan through the continuation and expansion of Project F.I.S.H. By January 31, 2007, the department shall provide to the state budget director, the senate and house appropriation subcommittees on natural resources, and the senate and house fiscal agencies a cost-benefit analysis of the effectiveness of these efforts.

ADMINISTRATIVE SERVICES

Sec. 401. The department may charge the appropriations contained in part 1, including all special maintenance and capital projects appropriated for the fiscal year ending September 30, 2007, for engineering services provided, a standard percentage fee to recover actual costs. The department may use the revenue derived to support the engineering services charges provided for in part 1.

Sec. 402. The department may charge land acquisition projects appropriated for the fiscal year ending September 30, 2007, and for prior fiscal years, a standard percentage fee to recover actual costs, and may use the revenue derived to support the land acquisition service charges provided for in part 1.

Sec. 403. The department may charge both application fees and transaction fees related to the exchange or sale of state-owned land or rights in land authorized by part 21 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2101 to 324.2162. The fees shall be set by the director at a rate which allows the department to recover its costs for providing these services.

Sec. 404. The department shall prominently display in a prominent place in the fishing guide provided to each licensed fisher and paid for from the funds appropriated in part 1, the website address for the department of community health. In addition, the fishing guide shall include information on alternative sources where interested parties without Internet access may find information on fish advisories issued by the department of community health.

Sec. 405. Within 21 days after the end of each fiscal quarter, the department shall submit to the senate and house appropriations subcommittees on natural resources a report on all land transactions completed by the department in the previous fiscal quarter. For each land transaction, the report shall include, but not be limited to, the size of the parcel, the county and municipality in which the parcel is located, the dollar amount of the transaction, the fund source affected by the transaction, and the type of transaction, such as purchase, public auction, transfer, exchange, or conveyance.

WILDLIFE MANAGEMENT

Sec. 501. Of the funds appropriated in part 1, the department shall reimburse the department of agriculture for costs incurred for indemnification payments for livestock losses caused by wolves, coyotes, or cougars under the animal industry act, 1988 PA 466, MCL 287.701 to 287.745.

Sec. 502. (1) The appropriation in part 1 for cormorant control shall be used to enter into a partnership agreement with the United States department of agriculture-wildlife services agency to provide for additional control activities in areas of the state most affected by the double-crested cormorant, and such agreement shall contain conditions requiring the United States department of agriculture to document that the state appropriation was used to control double-crested cormorants within Michigan boundary waters in sufficient detail to allow verification by the legislative auditor general.

(2) The funds shall only be expended if the federal government has provided funding for cormorant control in an amount equal to or greater than the amount appropriated in part 1. The department shall submit a report not later than September 30, 2007 on how these funds were used, the efforts taken to improve the state and federal relationship, and, to the extent practical, any impacts made on cormorant control in Michigan to the chairs of the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies.

Sec. 503. From the funds appropriated in part 1 for wildlife management, the department shall spend up to $20,000.00 to study the bobcat population in Michigan and, in coordination with the natural resources commission, develop appropriate, science-based hunting quotas in both the upper and lower peninsulas. By September 30, 2007, the department shall report to the senate and house appropriation subcommittees on natural resources, the senate and house fiscal agencies, and the state budget director on the results of the study.

FISHERIES MANAGEMENT

Sec. 601. As a condition of expenditure of fisheries management appropriations under part 1, the department shall not impede the certification process for water control structures on Michigan waterways. The department shall fund from funds appropriated in part 1 all non-water-quality studies or requirements that the department requests of either of the following:

(a) The department of environmental quality as a condition for issuance of a certification under the federal water pollution control act, 33 USC 1341.

(b) The federal energy regulatory commission as a condition of licensing under the federal power act, 16 USC 791a to 825r.

Sec. 602. (1) From the appropriation in part 1 for aquatic resource mitigation, not more than $758,000.00 shall be allocated for grants to watershed councils, resource development councils, soil conservation districts, local governmental units, and other nonprofit organizations for stream habitat stabilization and soil erosion control.

(2) The fisheries division of the department shall develop priority and cost estimates for all recommended projects.

Sec. 603. (1) From the funds appropriated in part 1 for fisheries resources management, $2,000,000.00 is provided for preparation activities for removal, including engineering projects, and the removal of publicly or privately owned dams at Otsego, Plainwell, and Trowbridge on the Kalamazoo River. Any unused funds from the appropriation provided in part 1 shall lapse to the clean Michigan initiative-clean water fund.

(2) The appropriation in part 1 shall not preclude the department from pursuing cost recovery for dam removal costs from responsible parties. The department shall pursue aggressive action with regard to the responsible parties and pursue additional funding sources for corrective action at these sites. If the department recovers funds from responsible parties at these locations, the department shall restore funding to the clean Michigan initiative-clean water fund.

PARKS AND RECREATION

Sec. 701. Pursuant to section 1902(2) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.1902, there is appropriated from the Michigan natural resources trust fund to the Michigan state parks endowment fund an amount not to exceed $10,000,000.00 for the fiscal year ending September 30, 2007.

Sec. 702. (1) The department shall prepare detailed reports for construction projects in state parks that will involve campsite or campground closures. These reports shall include expected costs, impacts on recreation opportunities, impacts on state park revenues, and the expected impact on state park users. The department shall also prepare reports on average monthly campground occupancy rates for every state park during the previous summer season. The department shall provide reports described in this subsection to the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies not later than April 1, 2007.

(2) The department shall notify the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies if it intends to reduce operations or reduce recreation opportunities at any state park or recreation area.

Sec. 703. From the funds appropriated in part 1, the department shall maintain an appropriate number of defibrillators in state parks. State parks shall accept donations of defibrillators.

Sec. 704. By September 30, 2007, the department shall report to the senate and house appropriations subcommittees on natural resources and the senate and house fiscal agencies any misuse of complimentary or discounted day passes at state recreational facilities during the 2006-2007 fiscal year.

Sec. 705. The department shall not alter or halt operations of the ski hill or demolish buildings related to the ski hill, the assistant manager residence, the 3-unit apartment building, or the carpenter's shop and garage in Porcupine Mountains wilderness state park. The department shall collaborate with travel Michigan for the marketing and promotion of the ski hill.

Sec. 706. Regardless of the results of the pending shooting range litigation, from the funds appropriated in part 1, the department shall retain the services of a licensed engineer specializing in acoustics to further study and design range modifications to mitigate sound from the shooting range at the Island Lake recreation area.

Sec. 707. From the funds appropriated in part 1, the department shall work with the Michigan state waterways commission to develop both a short-term and a long-term plan to improve public boating access throughout the state. By July 1, 2007, the department shall submit the plans to the state budget director, the senate and house appropriation subcommittees on natural resources, and the senate and house fiscal agencies.

Sec. 708. The appropriation in part 1 for Bay City state park shall be used to provide floating docks for recreation purposes and for barrier-free access.

Sec. 709. Subject to the provisions of this section, the funds appropriated in part 1 for the Petoskey breakwall shall be expended to repair the breakwall under the jurisdiction of the United States army corps of engineers. This funding shall not be expended unless the department has entered into an agreement with the United States army corps of engineers or other appropriate federal agency in which the United States army corps of engineers or other appropriate federal agency agreed to repay the Michigan state waterways fund for its expenditures for this project.

FOREST, MINERAL, AND FIRE MANAGEMENT

Sec. 801. In addition to the funds appropriated in part 1, $350,000.00 is appropriated to cover costs related to any declared emergency involving the collapse of any abandoned mine shaft located on state land. This appropriation shall not be expended unless the state budget director recommends the expenditure and the department notifies the house and senate committees on appropriations.

Sec. 802. As a condition of expenditure of appropriations in part 1 from forest development funds, on October 15, 2006 the department shall provide $1,000,000.00 from cooperative resources programs as an interdepartmental grant to the department of agriculture for the cooperative resources management initiative program for the purposes of supporting forestry programs in local conservation districts.

Sec. 803. From the funds appropriated in part 1, the department shall develop a motorized snowmobile trail connecting Gaylord and Cheboygan.

Sec. 804. By February 1, 2007, the department shall report to the state budget director, the senate and house appropriation subcommittees on natural resources, and the senate and house fiscal agencies on the planned use, expenditure, and action taken by the Michigan forest finance authority regarding the grant from the Michigan strategic fund of $26,000,000.00 appropriated from the 21st century jobs trust fund under section 88j of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088j.

Sec. 805. The department shall spend amounts appropriated in part 1 for forest-related activities to employ or contract for additional foresters to mark timber, pursuant to section 806.

Sec. 806. Of the funds appropriated in part 1, the department shall, subject to the forest certification process, prescribe appropriate treatment on not less than 63,000 acres at the current average rate of 12.5 to 13 cords per acre, and put those cords up for sale in 2007, provided that the department shall take into consideration the impact of timber harvesting on wildlife habitat and recreation uses. The department shall, subject to the forest certification process, increase marking or treatment of hardwood timber for sale and harvest by 10% over 2006 levels. In addition, the department shall take into consideration silvicultural analysis and report annually to the legislature on plans and efforts to address factors limiting management of timber. The department shall provide quarterly reports on the number of acres treated, pursuant to this section, to the senate and house appropriation subcommittees on natural resources and the standing committees of the senate and house of representatives with primary responsibility for natural resources issues.

Sec. 807. From the funds appropriated in part 1, the department shall allow for a designated snowmobile route connecting the Village of Bellaire to the Jordan River Trail across state-owned land with associated reasonable restrictions that mitigate negative impacts on the natural resources.

LAW ENFORCEMENT

Sec. 901. The appropriation in part 1 for snowmobile law enforcement grants shall be used to provide grants to county law enforcement agencies to enforce part 821 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.82101 to 324.82160, including rules promulgated under that part and ordinances enacted pursuant to that part. The department shall consider the number of enforcement hours and the number of miles of snowmobile trails in each county in allocating these grants. Any funds not distributed to counties revert back to the snowmobile registration fee fund created under section 82111 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.82111. Counties shall provide semiannual reports to the department.

PAYMENTS IN LIEU OF TAXES

Sec. 1001. From the funds appropriated in part 1 for special payment to counties, $170,000.00 shall be used to replace a loss of revenue to a county with a fiscal year ending September 30, 2007, caused by a single annual statement and billing for payments in lieu of taxes authorized under sections 2153 and 2154 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2153 and 324.2154, and as a result of revenue due for set aside to the revenue sharing reserve fund generated by county allocated millage as authorized under section 44a of the general property tax act, 1893 PA 206, MCL 211.44a.

GRANTS

Sec. 1101. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 for grants to communities - federal oil, gas, and timber payments and that do not require additional state matching funds are appropriated for the purposes intended. By November 30, 2006, the department shall report to the senate and house appropriations subcommittees on natural resources, the senate and house fiscal agencies, and the state budget director on all amounts appropriated under this section during the fiscal year ending September 30, 2006.

Sec. 1102. The use of federal funding received by the state from the land and water conservation fund and appropriated in part 1 shall be coordinated with state grants to local units of government from the Michigan natural resources trust fund. The coordination of the 2 funding sources shall be conducted in a manner that minimizes the total matching funds required from local units of government for local land acquisition or recreational development projects.

Sec. 1103. Subject to part 811 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.81101 to 324.81150, from the funds appropriated in part 1 for off-road vehicle trail improvements grants, not less than $980,000.00 shall be spent on the development of new trails in accordance with the off-road vehicle trail expansion plan submitted to the legislature pursuant to section 807 of article 14 of 2005 PA 154.

Sec. 1104. The appropriation in part 1 for federal-land and water conservation fund payments includes $500,000.00 for the Cascades Park in Jackson County.

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

A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2007; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

Michelle McManus
Shirley Johnson
Jim Barcia
Conferees for the Senate

Howard Walker
Darwin Booher
Carl M. Williams
Conferees for the House

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

Rep. Ward moved pursuant to Joint Rule 9, that the Journal printing requirement be suspended, printed copies of the conference report having been made available to each Member.

The motion prevailed.

The question being on the adoption of the conference report,

The conference report was then adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 886 **Yeas—104**

Accavitti
Acciavatti
Adamini
Amos
Anderson
Angerer
Ball
Baxter
Bennett
Bieda
Booher
Brandenburg
Brown
Byrnes
Byrum
Casperson
Caswell
Caul
Cheeks
Clack
Clemente
Condino
Cushingberry
DeRoche
Dillon
Donigan
Elsenheimer
Emmons
Espinoza
Farhat
Farrah
Gaffney
Garfield
Gillard
Gleason
Gonzales
Gosselin
Green
Hansen
Hildenbrand
Hood
Hoogendyk
Hopgood
Hummel
Hune
Hunter
Jones
Kahn
Kolb
Kooiman
LaJoy
Law, David
Law, Kathleen
Leland
Lemmons, III
Lemmons, Jr.
Lipsey
Marleau
Mayes
McConico
McDowell
Meisner
Meyer
Miller
Moolenaar
Moore
Mortimer
Murphy
Newell
Nitz
Nofs
Palmer
Palsrok
Pastor
Pavlov
Plakas
Polidori
Proos
Robertson
Rocca
Sak
Schuitmaker
Shaffer
Sheen
Sheltrown
Smith, Alma
Smith, Virgil
Spade
Stahl
Stakoe
Steil
Stewart
Taub
Tobocman
Vagnozzi
Van Regenmorter
Vander Veen
Walker
Ward
Waters
Wenke
Williams
Wojno
Zelenko

Nays—1

Drolet

In The Chair: Kooiman

Rep. Ward moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.

Rep. Pearce entered the House Chambers.

Senate Bill No. 1084, entitled

A bill to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2007; to provide for the expenditure of the appropriations; to provide for reports; to provide for the creation of certain advisory committees and boards; to prescribe certain powers and duties of the department of corrections, certain other state officers and agencies, and certain advisory committees and boards; to provide for the collection of certain funds; and to provide for the disposition of fees and other income received by certain state agencies.

The Senate has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The Conference Report was read as follows:

First Conference Report

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

Senate Bill No. 1084, entitled

A bill to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2007; to provide for the expenditure of the appropriations; to provide for reports; to provide for the creation of certain advisory committees and boards; to prescribe certain powers and duties of the department of corrections, certain other state officers and agencies, and certain advisory committees and boards; to provide for the collection of certain funds; and to provide for the disposition of fees and other income received by certain state agencies.

Recommends:

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

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

A bill to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2007; to provide for the expenditure of the appropriations; to provide for reports; to provide for the creation of certain advisory committees and boards; to prescribe certain powers and duties of the department of corrections, certain other state officers and agencies, and certain advisory committees and boards; to provide for the collection of certain funds; and to provide for the disposition of fees and other income received by certain state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of corrections for the fiscal year ending September 30, 2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF CORRECTIONS

APPROPRIATION SUMMARY:		
Average population	51,490	
Full-time equated unclassified positions	16.0	
Full-time equated classified positions	17,782.0	
GROSS APPROPRIATION		$ 1,940,421,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		1,238,400
ADJUSTED GROSS APPROPRIATION		$ 1,939,183,100
Federal revenues:		
Total federal revenues		11,431,500

		For Fiscal Year Ending Sept. 30, 2007
Special revenue funds:		
Total local revenues		420,900
Total private revenues		0
Total other state restricted revenues		68,775,700
State general fund/general purpose	$	1,858,555,000
Sec. 102. EXECUTIVE		
Full-time equated unclassified positions 16.0		
Full-time equated classified positions 228.2		
Unclassified positions—16.0 FTE positions	$	1,384,700
Executive direction—36.0 FTE positions		4,527,400
Policy and strategic planning—34.0 FTE positions		6,681,400
Prisoner reintegration programs		12,552,900
Human resources—158.2 FTE positions		15,627,800
Human resources optimization user charges		1,050,800
Training		11,750,600
Worker's compensation		17,794,000
Sheriffs' coordinating and training office		500,000
GROSS APPROPRIATION	$	71,869,600
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDSP, Michigan justice training fund		695,900
Federal revenues:		
DOJ, prisoner reintegration		1,035,000
DOJ, state criminal alien assistance program		81,300
Special revenue funds:		
Local corrections officer training fund		500,000
State general fund/general purpose	$	69,557,400
Sec. 103. ADMINISTRATION AND PROGRAMS		
Full-time equated classified positions 292.9		
Administrative services—73.9 FTE positions	$	6,990,100
Substance abuse testing and treatment		18,311,000
Inmate legal services		314,900
Prison industries operations—219.0 FTE positions		19,248,500
Rent		2,095,200
Equipment and special maintenance		425,500
Compensatory buyout and union leave bank		275,000
Prosecutorial and detainer expenses		4,051,000
GROSS APPROPRIATION	$	51,711,200
Appropriated from:		
Federal revenues:		
DOJ, office of justice programs, RSAT		1,093,400
DOJ, office of justice programs, Byrne grants		729,400
Special revenue funds:		
Correctional industries revolving fund		19,352,700
State general fund/general purpose	$	30,535,700
Sec. 104. FIELD OPERATIONS ADMINISTRATION		
Full-time equated classified positions 1,881.9		
Field operations—1,770.9 FTE positions	$	143,801,000
Parole and probation special operations program		1,300,000
Parole board operations—27.0 FTE positions		2,549,700
Loans to parolees		294,400
Parole/probation services		2,867,300
Community re-entry centers—48.0 FTE positions		14,295,200
Electronic monitoring center—36.0 FTE positions		5,644,500
GROSS APPROPRIATION	$	170,752,100
Appropriated from:		
Special revenue funds:		
Local - community tether program reimbursement		420,900
Parole and probation oversight fees		10,329,700

		For Fiscal Year Ending Sept. 30, 2007
Tether program, participant contributions		5,767,900
Parole and probation oversight fees set-aside		2,867,300
Community re-entry centers, offender revenue		368,700
Telephone fees and commissions		902,600
State general fund/general purpose	$	150,095,000
Sec. 105. COMMUNITY CORRECTIONS		
Full-time equated classified positions 17.0		
Community corrections administration—17.0 FTE positions	$	1,742,400
Residential services		16,925,500
Community corrections comprehensive plans and services		12,533,000
Public education and training		50,000
Regional jail program		100
Alternatives to prison jail program		1,619,600
Alternatives to prison treatment program		400,000
Felony drunk driver jail reduction and community treatment program		2,097,400
County jail reimbursement program		13,249,000
GROSS APPROPRIATION	$	48,617,000
Appropriated from:		
Special revenue funds:		
Telephone fees and commissions		11,775,100
Civil infraction fees		7,514,400
Parole and probation oversight fees set-aside		400,000
State general fund/general purpose	$	28,927,500
Sec. 106. CONSENT DECREES		
Full-time equated classified positions 471.3		
Hadix consent decree—138.0 FTE positions	$	11,600,200
DOJ, consent decree—106.8 FTE positions		9,560,700
DOJ, psychiatric plan - MDCH mental health services		36,018,600
DOJ, psychiatric plan - MDOC staff and services—226.5 FTE positions		16,968,900
GROSS APPROPRIATION	$	74,148,400
Appropriated from:		
State general fund/general purpose	$	74,148,400
Sec. 107. HEALTH CARE		
Full-time equated classified positions 1,043.1		
Health care administration—22.0 FTE positions	$	2,951,400
Hospital and specialty care services		58,851,700
Vaccination program		691,200
Northern region clinical complexes—243.4 FTE positions		29,256,800
Southeastern region clinical complexes—472.3 FTE positions		62,222,900
Southwestern region clinical complexes—305.4 FTE positions		36,287,600
GROSS APPROPRIATION	$	190,261,600
Appropriated from:		
Special revenue funds:		
Prisoner health care copayments		331,400
State general fund/general purpose	$	189,930,200
Sec. 108. CORRECTIONAL FACILITIES ADMINISTRATION		
Average population 240		
Full-time equated classified positions 451.9		
Correctional facilities administration—39.0 FTE positions	$	5,925,100
Housing inmates in federal institutions		552,600
Education services and federal education grants—10.0 FTE positions		5,698,600
Federal school lunch program		712,800
Leased beds and alternatives to leased beds		100
Inmate housing fund—32.4 FTE positions		588,200
Average population 240		
Academic/vocational programs—370.5 FTE positions		36,862,900
GROSS APPROPRIATION	$	50,340,300

		For Fiscal Year Ending Sept. 30, 2007
Appropriated from:		
Federal revenues:		
DOJ-BOP, federal prisoner reimbursement		372,600
DED-OESE, title I		519,700
DED-OVAE, adult education		1,884,900
DED, adult literacy grants		307,100
DED-OSERS		100,800
DED, vocational education equipment		276,200
DED, youthful offender/Specter grant		1,284,200
DOJ-OJP, serious and violent offender reintegration initiative		1,010,000
DAG-FNS, national school lunch		712,800
SSA-SSI, incentive payment		119,900
DOJ, prison rape elimination act grant		1,000,000
Special revenue funds:		
State general fund/general purpose	$	42,752,100
Sec. 109. NORTHERN REGION CORRECTIONAL FACILITIES		
Average population	15,406	
Full-time equated classified positions	4,199.0	
Alger maximum correctional facility - Munising—342.1 FTE positions	$	31,920,500
Average population	849	
Baraga maximum correctional facility - Baraga—411.5 FTE positions		37,673,900
Average population	1,172	
Chippewa correctional facility - Kincheloe—524.3 FTE positions		48,348,600
Average population	2,122	
Kinross correctional facility - Kincheloe—572.7 FTE positions		55,995,900
Average population	2,759	
Marquette branch prison - Marquette—367.7 FTE positions		36,319,500
Average population	1,070	
Newberry correctional facility - Newberry—346.6 FTE positions		31,102,400
Average population	1,204	
Oaks correctional facility - Eastlake—353.6 FTE positions		35,034,700
Average population	1,156	
Ojibway correctional facility - Marenisco—283.9 FTE positions		25,557,500
Average population	1,330	
Pugsley correctional facility - Kingsley—245.8 FTE positions		21,880,300
Average population	1,158	
Saginaw correctional facility - Freeland—348.0 FTE positions		32,992,200
Average population	1,480	
Standish maximum correctional facility - Standish—402.8 FTE positions		38,504,500
Average population	1,106	
GROSS APPROPRIATION	$	395,330,000
Appropriated from:		
Special revenue funds:		
Public works user fees		1,370,400
Resident stores		1,298,700
State general fund/general purpose	$	392,660,900
Sec. 110. SOUTHEASTERN REGION CORRECTIONAL FACILITIES		
Average population	17,402	
Full-time equated classified positions	4,897.2	
Cooper Street correctional facility - Jackson—265.8 FTE positions	$	25,852,800
Average population	1,360	
G. Robert Cotton correctional facility - Jackson—429.3 FTE positions		39,944,000
Average population	1,854	
Charles E. Egeler correctional facility - Jackson—528.4 FTE positions		52,622,100
Average population	1,591	
Gus Harrison correctional facility - Adrian—512.8 FTE positions		48,132,600
Average population	2,262	

		For Fiscal Year Ending Sept. 30, 2007
Huron Valley correctional complex - Ypsilanti—691.0 FTE positions		65,101,300
Average population	1,658	
Macomb correctional facility - New Haven—321.5 FTE positions		29,127,700
Average population	1,228	
Mound correctional facility - Detroit—277.8 FTE positions		25,372,200
Average population	1,051	
Parnall correctional facility - Jackson—263.6 FTE positions		25,011,400
Average population	1,359	
Ryan correctional facility - Detroit—316.8 FTE positions		29,335,500
Average population	1,059	
Robert Scott correctional facility - Plymouth—339.8 FTE positions		30,261,500
Average population	880	
Southern Michigan correctional facility - Jackson—417.8 FTE positions		37,317,700
Average population	1,481	
Thumb correctional facility - Lapeer—324.6 FTE positions		30,413,100
Average population	1,219	
Special alternative incarceration program - Cassidy Lake—126.0 FTE positions		11,301,600
Average population	400	
Jackson area support and services - Jackson—82.0 FTE positions		14,440,000
GROSS APPROPRIATION		$ 464,233,500
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDCH, forensic center food service		542,500
Federal revenues:		
DOJ, state criminal alien assistance program		904,200
Special revenue funds:		
Public works user fees		1,430,200
Resident stores		1,521,300
State general fund/general purpose		$ 459,835,300
Sec. 111. SOUTHWESTERN REGION CORRECTIONAL FACILITIES		
Average population	18,442	
Full-time equated classified positions	4,299.5	
Bellamy Creek correctional facility - Ionia—465.1 FTE positions		$ 44,932,000
Average population	1,830	
Earnest C. Brooks correctional facility - Muskegon—482.3 FTE positions		45,738,900
Average population	2,200	
Carson City correctional facility - Carson City—495.6 FTE positions		46,884,000
Average population	2,200	
Richard A. Handlon correctional facility - Ionia—255.2 FTE positions		24,617,400
Average population	1,320	
Ionia maximum correctional facility - Ionia—323.8 FTE positions		29,474,100
Average population	667	
Lakeland correctional facility - Coldwater—682.9 FTE positions		65,044,100
Average population	3,102	
Muskegon correctional facility - Muskegon—245.4 FTE positions		24,921,700
Average population	1,326	
Pine River correctional facility - St. Louis—223.6 FTE positions		20,606,500
Average population	1,120	
Riverside correctional facility - Ionia—510.8 FTE positions		48,743,900
Average population	2,331	
St. Louis correctional facility - St. Louis—614.8 FTE positions		55,576,700
Average population	2,346	
GROSS APPROPRIATION		406,539,300
Appropriated from:		
Special revenue funds:		
Public works user fees		587,300
Resident stores		1,778,700
State general fund/general purpose		$ 404,173,300

		For Fiscal Year Ending Sept. 30, 2007
Sec. 112. INFORMATION TECHNOLOGY		
Information technology services and projects	$	16,618,500
GROSS APPROPRIATION	$	16,618,500
Appropriated from:		
Special revenue funds:		
Correctional industries revolving fund		137,800
Parole and probation oversight fees set-aside		541,500
State general fund/general purpose	$	15,939,200

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is $1,927,330,700.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is $90,341,500.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF CORRECTIONS

Field operations - assumption of county probation staff	$	45,499,500
Public service work projects		11,216,400
Community corrections comprehensive plans and services		12,533,000
Community corrections residential services		16,925,500
Community corrections public education and training		50,000
Felony drunk driver jail reduction and community treatment program		2,097,400
Alternatives to prison jail program		1,619,600
Alternatives to prison treatment program		400,000
Regional jail program		100
TOTAL	$	90,341,500

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

Sec. 203. As used in this act:

(a) “DAG” means the United States department of agriculture.

(b) “DAG-FNS” means the DAG food and nutrition service.

(c) “DED” means the United States department of education.

(d) “DED-OESE” means the DED office of elementary and secondary education.

(e) “DED-OSERS” means the DED office of special education and rehabilitative services.

(f) “DED-OVAE” means the DED office of vocational and adult education.

(g) “Department” or “MDOC” means the Michigan department of corrections.

(h) “DOJ” means the United States department of justice.

(i) “DOJ-BOP” means the DOJ bureau of prisons.

(j) “DOJ-OJP” means the DOJ office of justice programs.

(k) “FTE” means full-time equated.

(*l*) “GPS” means global positioning system.

(m) “IDG” means interdepartmental grant.

(n) “IDT” means intradepartmental transfer.

(o) “MDCH” means the Michigan department of community health.

(p) “MDSP” means the Michigan department of state police.

(q) “MPRI” means the Michigan prisoner reentry initiative.

(r) “OCC” means the office of community corrections.

(s) “RSAT” means residential substance abuse treatment.

(t) “SSA” means the United States social security administration.

(u) “SSA-SSI” means SSA supplemental security income.

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

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

(2) The state budget director may grant exceptions to the hiring freeze imposed under subsection (1) when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause loss of revenue to the state, result in the inability of the state to receive federal funds, or necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

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

Sec. 207. At least 120 days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 30 months.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality.

Sec. 210. (1) Pursuant to the provisions of civil service rules and regulations and applicable collective bargaining agreements, individuals seeking employment with the department shall submit to a controlled substance test. The test shall be administered by the department.

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

Sec. 211. The department may charge fees and collect revenues in excess of appropriations in part 1 not to exceed the cost of offender services and programming, employee meals, parolee loans, academic/vocational services, custody escorts, compassionate visits, union steward activities, public work programs, and services provided to units of government. The revenues and fees collected are appropriated for all expenses associated with these services and activities.

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

Sec. 213. By February 15, 2007, the department shall provide the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director with a report detailing nongeneral fund/general purpose sources of revenue, including, but not limited to, federal revenues, state restricted revenues, local and private revenues, offender reimbursements and other payments, revolving funds, and 1-time sources of revenue, whether or not such revenues were appropriated. The report shall include statements detailing for each account the total amount of revenue received during fiscal year 2005-2006, the amount by which the revenue exceeded any applicable appropriated fund source, the amount spent during fiscal year 2005-2006, the account balance at the close of fiscal year 2005-2006, and the projected revenues and expenditures for fiscal year 2006-2007.

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

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

Sec. 216. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2007 is limited to situations in which 1 or more of the following conditions apply:

(a) The travel is required by legal mandate or court order or for law enforcement purposes.

(b) The travel is necessary to protect the health, safety, or health and safety of Michigan citizens or visitors or to assist other states in similar circumstances.

(c) The travel is necessary to produce budgetary savings or to increase state revenues, or both, including protecting existing federal funds or securing additional federal funds.

(d) The travel is necessary to comply with federal requirements.

(e) The travel is necessary to secure specialized training for staff that is not available within this state.

(f) The travel is financed entirely by federal or nonstate funds.

(2) If out-of-state travel is necessary but does not meet 1 or more of the conditions listed in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the senate and house standing committees on appropriations.

(3) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the chairs and members of the senate and house standing committees on appropriations, the fiscal agencies, and the state budget director. The report shall include the following information:

(a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

(d) A brief statement of the reason for each travel occurrence.

(e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

(f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 217. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services, supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in deprived and depressed communities for services, supplies, or both.

EXECUTIVE

Sec. 401. The department shall submit 3-year and 5-year prison population projection updates by February 1, 2007 to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. The report shall include explanations of the methodology and assumptions used in developing the projection updates.

Sec. 402. The department shall prepare by April 1, 2007 individual reports for the community re-entry program, the electronic tether program, and the special alternative to incarceration program. The reports shall be submitted to the house and senate appropriations subcommittees on corrections, the house and senate fiscal agencies, and the state budget director. Each program's report shall include information on all of the following:

(a) Monthly new participants.

(b) Monthly participant unsuccessful terminations, including cause.

(c) Number of successful terminations.

(d) End month population by facility/program.

(e) Average length of placement.

(f) Return to prison statistics.

(g) Description of each program location or locations, capacity, and staffing.

(h) Sentencing guideline scores and actual sentence statistics for participants, if applicable.

(i) Comparison with prior year statistics.

(j) Analysis of the impact on prison admissions and jail utilization and the cost effectiveness of the program.

Sec. 403. The department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director by April 1, 2007 on the ratio of correctional officers to prisoners for each correctional institution, the ratio of shift command staff to line custody staff, and the ratio of noncustody institutional staff to prisoners for each correctional institution.

Sec. 404. (1) The department shall review and revise as necessary policy proposals that provide alternatives to prison for offenders being sentenced to prison as a result of technical probation violations and technical parole violations. To the extent the department has insufficient policies or resources to affect the continued increase in prison commitments among these offender populations, the department shall explore other policy options to allow for program alternatives, including department or OCC-funded programs, local level programs, and programs available through private agencies that may be used as prison alternatives for these offenders.

(2) To the extent policies or programs described in subsection (1) are used, developed, or contracted for, the department may request that funds appropriated in part 1 be transferred under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393, for their operation.

(3) The department shall continue to utilize parole violator processing guidelines that require parole agents to utilize all available appropriate community-based, nonincarcerative postrelease sanctions and services when appropriate. The department shall periodically evaluate such guidelines for modification, in response to emerging information from the pilot projects for substance abuse treatment provided under this act and applicable provisions of prior budget acts for the department.

(4) By May 1, 2007, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the number of all parolees returned to prison and probationers sentenced to prison for either a technical violation or new sentence from October 1, 2006 through March 30, 2007. After May 1, 2007, the department shall provide monthly reports. The reports shall include the following information each for probationers, parolees after their first parole, and parolees who have been paroled more than once:

(a) The numbers of parole and probation violators returned to or sent to prison for a new crime with a comparison of original versus new offenses by major offense type: assaultive, nonassaultive, drug, and sex.

(b) The numbers of parole and probation violators returned to or sent to prison for a technical violation and the type of violation, including, but not limited to, zero gun tolerance and substance abuse violations.

(c) The educational history of those offenders, including how many had a G.E.D. or high school diploma prior to incarceration in prison, how many received a G.E.D. while in prison, and how many received a vocational certificate while in prison.

(d) The number of offenders who participated in the MPRI versus the number of those who did not.

Sec. 405. Funds included in part 1 for the sheriffs' coordinating and training office are appropriated for and may be expended to defray costs of continuing education, certification, recertification, decertification, and training of local corrections officers, the personnel and administrative costs of the sheriffs' coordinating and training office, the local corrections officers advisory board, and the sheriffs' coordinating and training council under the local corrections officers training act, 2003 PA 125, MCL 791.531 to 791.546.

Sec. 406. (1) By April 1, 2007, the department shall provide a report on prisoner reintegration programs to the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. At a minimum, the report shall include all of the following information:

(a) Allocations and projected expenditures for each project funded and for each project to be funded, itemized by service to be provided and service provider.

(b) An explanation of the objectives and results measures for each program.

(c) An explanation of how the programs will be evaluated.

(d) A discussion of the evidence and research upon which each program is based.

(e) A discussion and estimate of the impact of prisoner reintegration programs on reoffending and returns to prison.

(f) A progress report on applicable results of each program, including, but not limited to, the estimated bed space impact of prisoner reintegration programs.

(2) The department shall provide quarterly reports on January 1, 2007, April 1, 2007, July 1, 2007, and September 30, 2007 to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the status and recidivism levels of offenders who participated in the MPRI and have been released. The data should be broken out by the following 4 offender types: drug, nonassaultive, assaultive, and sex.

(3) By September 30, 2007, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director a comparison of the overall recidivism rates and length of time prior to prison return of offenders who participated in the MPRI with those of offenders who did not. The report should disaggregate the information by each pilot site in order to compare the practices and success rates of each pilot.

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

Sec. 407. From the funds appropriated in part 1, the department shall maintain and make publicly accessible the files of all felony offenders even after an offender is no longer under the department's jurisdiction on the offender tracking information system in the same manner as files of current offenders.

Sec. 408. By March 1, 2007, the department shall report to the senate and house subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on offenders who have served their maximum sentence and been released from prison in the last 5 years. The report shall include the following information:

(a) The number of offenders who were paroled and returned to prison prior to serving their maximum sentence compared to the number of offenders who served their maximum sentence without ever having been paroled.

(b) The number of offenders disaggregated by major offense type: assaultive, nonassaultive, drug, and sex.

(c) The educational history of those offenders, including how many had a G.E.D. or high school diploma prior to incarceration in prison, how many received a G.E.D. while in prison, and how many received a vocational certificate while in prison.

(d) A comparison of each offender's original offense to the offender's new offense by major offense type: assaultive, nonassaultive, drug, and sex, for offenders who have since returned to prison with a new commitment after previously serving a maximum sentence.

Sec. 409. As a condition of expending funds appropriated for policy and strategic planning and prisoner reintegration programs under section 102 of this act, the department shall by January 31, 2007 provide a plan to reduce recidivism

rates among prisoners released from correctional facilities to the members of the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director. The plan shall include detailed information on recidivism rates in this state for the most recent 5-year period, a detailed comparison of those rates to rates in other states and a national average, and details on how the department plans to improve recidivism rates. The plan also shall include details on how the department proposes to measure the success of the plan.

ADMINISTRATION AND PROGRAMS

Sec. 501. From the funds appropriated in part 1 for prosecutorial and detainer expenses, the department shall reimburse counties for housing and custody of parole violators and offenders being returned by the department from community placement who are available for return to institutional status and for prisoners who volunteer for placement in a county jail.

Sec. 502. (1) The department shall screen and assess each prisoner for alcohol and other drug involvement to determine the need for further treatment. The assessment process shall be designed to identify the severity of alcohol and other drug addiction and determine the treatment plan, if appropriate.

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

Sec. 503. (1) In expending residential substance abuse treatment services funds appropriated under this act, the department shall ensure to the maximum extent possible that residential substance abuse treatment services are available statewide.

(2) By April 1, 2007, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the allocation, distribution, and expenditure of all funds appropriated by the substance abuse testing and treatment line item during fiscal year 2005-2006 and projected for fiscal year 2006-2007. The report shall include, but not be limited to, an explanation of an anticipated year-end balance, the number of participants in substance abuse programs, and the number of offenders on waiting lists for residential substance abuse programs. Information required under this subsection shall, where possible, be separated by MDOC administrative region and by offender type, including, but not limited to, a distinction between prisoners, parolees, and probationers.

(3) By April 1, 2007, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on substance abuse testing and treatment program objectives, outcome measures, and results, including program impact on offender behavior and recidivism.

Sec. 504. The department shall develop and maintain a statewide waiting list for offenders referred for assessment for the assaultive offender program for parole eligibility and, if possible, shall transfer prisoners into facilities where assaultive offender programs are available in order to facilitate timely participation and completion prior to parole eligibility hearings. Nothing in this section should be deemed to make parole denial appealable in court.

Sec. 505. The department shall cooperate with the department of community health in providing information for and developing the report required under section 425 of Enrolled Senate Bill No. 1083 of the 93rd Legislature. The report shall, by April 1, 2007, provide the following data concerning mental health and substance abuse services during fiscal year 2005-2006:

(a) The number of prisoners receiving substance abuse services, including a description and breakdown of the type of substance abuse services provided to prisoners.

(b) The number of prisoners with a primary diagnosis of mental illness and the number of those prisoners receiving mental health services, including a description and breakdown, encompassing, at a minimum, the categories of inpatient, residential, and outpatient care, of the type of mental health services provided to those prisoners.

(c) The number of prisoners with a primary diagnosis of mental illness and receiving substance abuse services, including a description and breakdown, encompassing, at a minimum, the categories of inpatient, residential, and outpatient care, of the type of treatment provided to those prisoners.

(d) Data indicating if prisoners receiving mental health services for a primary diagnosis of mental illness were previously hospitalized in a state psychiatric hospital for persons with mental illness.

(e) Data indicating whether prisoners with a primary diagnosis of mental illness and receiving substance abuse services were previously hospitalized in a state psychiatric hospital for persons with mental illness.

FIELD OPERATIONS ADMINISTRATION

Sec. 601. From the funds appropriated in part 1, the department shall conduct a statewide caseload audit of field agents. The audit shall address public protection issues and assess the ability of the field agents to complete their professional duties. The results of the audit shall be submitted to the senate and house appropriations subcommittees on corrections and the senate and house fiscal agencies, and the state budget office by September 30, 2007.

Sec. 602. (1) Of the amount appropriated in part 1 for field operations, a sufficient amount shall be allocated for the community service work program and shall be used for salaries and wages and fringe benefit costs of community service coordinators employed by the department to supervise offenders participating in work crew assignments. Funds shall also be used to cover motor transport division rates on state vehicles used to transport offenders to community service work project sites.

(2) The community service work program shall provide offenders with community service work of tangible benefit to a community while fulfilling court-ordered community service work sanctions and other postconviction obligations.

(3) As used in this section, "community service work" means work performed by an offender in an unpaid position with a nonprofit or tax-supported or government agency for a specified number of hours of work or service within a given time period.

Sec. 603. (1) All prisoners, probationers, and parolees involved with the electronic tether program shall reimburse the department for costs associated with their participation in the program. The department may require community service work reimbursement as a means of payment for those able-bodied individuals unable to pay for the costs of the equipment.

(2) Program participant contributions and local community tether program reimbursement for the electronic tether program appropriated in part 1 are related to program expenditures and may be used to offset expenditures for this purpose.

(3) Included in the appropriation in part 1 is adequate funding to implement the community tether program to be administered by the department. The community tether program is intended to provide sentencing judges and county sheriffs in coordination with local community corrections advisory boards access to the state's electronic tether program to reduce prison admissions and improve local jail utilization. The department shall determine the appropriate distribution of the tether units throughout the state based upon locally developed comprehensive corrections plans under the community corrections act, 1988 PA 511, MCL 791.401 to 791.414.

(4) For a fee determined by the department, the department shall provide counties with the tether equipment, replacement parts, administrative oversight of the equipment's operation, notification of violators, and periodic reports regarding county program participants. Counties are responsible for tether equipment installation and service. For an additional fee as determined by the department, the department shall provide staff to install and service the equipment. Counties are responsible for the coordination and apprehension of program violators.

(5) Any county with tether charges outstanding over 60 days shall be considered in violation of the community tether program agreement and lose access to the program.

Sec. 604. Community-placement prisoners and parolees shall reimburse the department for the total costs of the program. As an alternative method of payment, the department may develop a community service work schedule for those individuals unable to meet reimbursement requirements established by the department.

Sec. 605. (1) As a condition of expending funds appropriated in part 1 for field operations, the department shall develop and implement a response to the findings and recommendations of the national council on crime and delinquency contained in the council's report on the Michigan department of corrections probation and parole agent workload study, issued February 2006.

(2) By November 1, 2006, the department shall report to the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the department's response to the workload study. At a minimum, the report shall include:

(a) The department's estimate of the number of agents required to meet agency standards for completing investigations and supervising offenders, consistent with public safety.

(b) An explanation of any difference between the department's estimate under subdivision (a) and that contained in the workload study.

(c) The number of agent positions authorized and the number of agent positions filled as of October 1, 2006.

(d) A plan for meeting agency standards with regard to field agent workloads.

Sec. 606. It is the intent of the legislature that the department shall ensure that parolees and probationers may timely contact their parole or probation agents and maintain procedures that preclude any necessity for an offender to have access to an agent's home telephone number or other personal information pertaining to the agent.

Sec. 607. (1) Funds appropriated in part 1 for the parole and probation special operations program are appropriated for the purpose of collaborative efforts to reduce crime, particularly violent and gun-related crime, including, but not limited to, federal, state, and local community prosecution of crimes and funding law enforcement officer escorts for field agents making unscheduled visits to verify offenders' whereabouts and activities in selected precincts in cities with a population of more than 750,000 according to the most recent United State decennial census. As used in this section, "unscheduled visits" means visits to locations other than governmental offices between the hours of 5 p.m. and 8 a.m. and made without appointment with the supervised offender.

(2) From the funds appropriated in part 1 for the parole and probation special operations program, the department shall allocate $500,000.00 to the department of attorney general for personnel and operational costs associated with the parole and probation special operations program.

(3) It is the intent of the legislature that in the course of expending funds appropriated under part 1 for field operations, the department shall cooperate with federal, state, and local law enforcement agencies either located in or with jurisdiction in cities with a population of more than 750,000 according to the most recent United States decennial census in assigning field agents to reduce crime, particularly violent and gun-related crime, and to conduct unscheduled visits in selected police precincts in cities with a population of more than 750,000 according to the most recent United States decennial census.

(4) The department shall evaluate or assist other agencies in the evaluations of the impact of local collaborative efforts to reduce crime, particularly violent and gun-related crime.

Sec. 608. By May 1, 2007, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the failure rate of parolees involved with the GPS electronic tether program. The report shall include the following information about these offenders:

(a) The number and rate of parolee technical violations, including specifying failures due to committing a new crime that is uncharged but leads to parole termination.

(b) The number and rate of parolee violators with new sentences.

COMMUNITY CORRECTIONS

Sec. 701. The office of community corrections shall provide and coordinate the delivery and implementation of services in communities to facilitate successful offender reintegration into the community. Programs and services to be offered shall include, but are not limited to, technical assistance for comprehensive corrections plan development, new program start-up funding, program funding for those programs delivering services for eligible offenders in geographic areas identified by the office of community corrections as having a shortage of available services, technical assistance, referral services for education, employment services, and substance abuse and family counseling. As used in this act:

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

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

(c) "Jail" means a facility operated by a local unit of government for the physical detention and correction of persons charged with or convicted of criminal offenses.

(d) "Offender eligibility criteria" means particular criminal violations, state felony sentencing guidelines descriptors, and offender characteristics developed by advisory boards and approved by local units of government that identify the offenders suitable for community corrections programs funded through the office of community corrections.

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

(f) "Offender who would likely be sentenced to imprisonment" means either of the following:

(*i*) A felon or misdemeanant who receives a sentencing disposition that appears to be in place of incarceration in a state correctional facility or jail, according to historical local sentencing patterns.

(*ii*) A currently incarcerated felon or misdemeanant who is granted early release from incarceration to a community corrections program or who is granted early release from incarceration as a result of a community corrections program.

Sec. 702. (1) The funds included in part 1 for community corrections comprehensive plans and services are to encourage the development through technical assistance grants, implementation, and operation of community corrections programs that serve as an alternative to incarceration in a state facility or jail. The comprehensive corrections plans shall include an explanation of how the public safety will be maintained, the goals for the local jurisdiction, offender target populations intended to be affected, offender eligibility criteria for purposes outlined in the plan, and how the plans will meet the following objectives, consistent with section 8(4) of the community corrections act, 1988 PA 511, MCL 791.408:

(a) Reduce admissions to prison of nonviolent offenders who would have otherwise received an active sentence, including probation violators.

(b) Improve the appropriate utilization of jail facilities, the first priority of which is to open jail beds intended to house otherwise prison-bound felons, and the second priority being to appropriately utilize jail beds so that jail crowding does not occur.

(c) Open jail beds through the increase of pretrial release options.

(d) Reduce the readmission to prison of parole violators.

(e) Reduce the admission or readmission to prison of offenders, including probation violators and parole violators, for substance abuse violations.

(2) The award of community corrections comprehensive plans and residential services funds shall be based on criteria that include, but are not limited to, the prison commitment rate by category of offenders, trends in prison commitment rates and jail utilization, historical trends in community corrections program capacity and program utilization, and the projected impact and outcome of annual policies and procedures of programs on prison commitment rates and jail utilization.

(3) Funds awarded for residential services in part 1 shall provide for a per diem reimbursement of not more than $47.50.

Sec. 703. The comprehensive corrections plans shall also include, where appropriate, descriptive information on the full range of sanctions and services that are available and utilized within the local jurisdiction and an explanation of how jail beds, residential services, the special alternative incarceration program (boot camp), probation detention

centers, the electronic monitoring program for probationers, and treatment and rehabilitative services will be utilized to support the objectives and priorities of the comprehensive corrections plan and the purposes and priorities of section 8(4) of the community corrections act, 1988 PA 511, MCL 791.408. The plans shall also include, where appropriate, provisions that detail how the local communities plan to respond to sentencing guidelines found in chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, and the use of the county jail reimbursement program under section 706 of this act. The state community corrections board shall encourage local community corrections boards to include in their comprehensive corrections plans strategies to collaborate with local alcohol and drug treatment agencies of the department of community health for the provision of alcohol and drug screening, assessment, case management planning, and delivery of treatment to alcohol- and drug-involved offenders, including, but not limited to, probation and parole violators who are at risk of revocation.

Sec. 704. (1) As part of the March biannual report specified in section 12(2) of the community corrections act, 1988 PA 511, MCL 791.412, that requires an analysis of the impact of that act on prison admissions and jail utilization, the department shall submit to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director the following information for each county and counties consolidated for comprehensive corrections plans:

(a) Approved technical assistance grants and comprehensive corrections plans including each program and level of funding, the utilization level of each program, and profile information of enrolled offenders.

(b) If federal funds are made available, the number of participants funded, the number served, the number successfully completing the program, and a summary of the program activity.

(c) Status of the community corrections information system and the jail population information system.

(d) Data on residential services, including participant data, participant sentencing guideline scores, program expenditures, average length of stay, and bed utilization data.

(e) Offender disposition data by sentencing guideline range, by disposition type, number and percent statewide and by county, current year, and comparisons to the previous 3 years.

(2) The report required under subsection (1) shall include the total funding allocated, program expenditures, required program data, and year-to-date totals.

Sec. 705. (1) The department shall identify and coordinate information regarding the availability of and the demand for community corrections programs, jail-based community corrections programs, and basic state-required jail data.

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

(3) As a prerequisite to participation in the programs and services offered through the department, counties shall provide basic jail data to the department.

Sec. 706. (1) The department shall administer a county jail reimbursement program from the funds appropriated in part 1 for the purpose of reimbursing counties for housing in jails felons who otherwise would have been sentenced to prison.

(2) The county jail reimbursement program shall reimburse counties for housing and custody of convicted felons if the conviction was for a crime committed on or after January 1, 1999 and 1 of the following applies:

(a) The felon's sentencing guidelines recommended range upper limit is more than 18 months, the felon's sentencing guidelines recommended range lower limit is 12 months or less, the felon's prior record variable score is 35 or more points, and the felon's sentence is not for commission of a crime in crime class G or crime class H under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69.

(b) The felon's minimum sentencing guidelines range minimum is more than 12 months.

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

(4) From the funds appropriated in part 1 for the county jail reimbursement program, the department shall contract for an ongoing study to determine the impact of the new legislative sentencing guidelines. The study shall analyze sentencing patterns of jurisdictions as well as future patterns in order to determine and quantify the population impact on prisons and jails of the new guidelines as well as to identify and define felon or crime characteristics or sentencing guidelines scores that indicate a felon is a prison diversion. The department shall contract for a local and statewide study for this purpose and provide periodic reports regarding the status and findings of the study to the house and senate appropriations subcommittees on corrections, the house and senate fiscal agencies, and the state budget director.

(5) The department, the Michigan association of counties, and the Michigan sheriffs' association shall review the periodic findings of the study required in subsection (4) and, if appropriate, recommend modification of the criteria for reimbursement contained in subsection (2). Any recommended modification shall be forwarded to the house and senate appropriations subcommittees on corrections and the state budget office.

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

(7) County jail reimbursement program expenditures shall not exceed the amount appropriated in part 1 for the county jail reimbursement program. Payments to counties under the county jail reimbursement program shall be made in the order in which properly documented requests for reimbursements are received. A request shall be considered to

be properly documented if it meets MDOC requirements for documentation. The department shall by October 15, 2006 distribute the documentation requirements to all counties.

Sec. 707. (1) As a condition of receipt of the funds appropriated in part 1 for community corrections plans and services and probation residential centers, the department shall only award those funds requested under a properly prepared and approved comprehensive corrections plan submitted under section 8 of the community corrections act, 1988 PA 511, MCL 791.408, or directly applied for under section 10 of the community corrections act, 1988 PA 511, MCL 791.410.

(2) The department shall only halt funding for an entity funded under section 8 of the community corrections act, 1988 PA 511, MCL 791.408, in instances of substantial noncompliance during the period covered by the plan.

Sec. 708. (1) Funds included in part 1 for the felony drunk driver jail reduction and community treatment program are appropriated for and may be expended for any of the following purposes:

(a) To increase availability of treatment options to reduce drunk driving and drunk driving-related deaths by addressing the alcohol addiction of felony drunk drivers who otherwise likely would be sentenced to jail or a combination of jail and other sanctions.

(b) To divert from jail sentences or to reduce the length of jail sentences for felony drunk drivers who otherwise would have been sentenced to jail and whose recommended minimum sentence ranges under sentencing guidelines established under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, have upper limits of 18 months or less, through funding programs that may be used in lieu of incarceration and that increase the likelihood of rehabilitation.

(c) To provide a policy and funding framework to make additional jail space available for housing convicted felons whose recommended minimum sentence ranges under sentencing guidelines established under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, have lower limits of 12 months or less and who likely otherwise would be sentenced to prison, with the aim of enabling counties to meet or exceed amounts received through the county jail reimbursement program during fiscal year 2002-2003 and reducing the numbers of felons sentenced to prison.

(2) Expenditure of funds included in part 1 for the felony drunk driver jail reduction and community treatment program shall be by grant awards consistent with standards developed by a committee of the state community corrections advisory board. The chairperson of the committee shall be the board member representing county sheriffs. Remaining members of the committee shall be appointed by the chairperson of the board.

(3) In developing annual standards, the committee shall consult with interested agencies and associations. Standards developed by the committee shall include application criteria, performance objectives and measures, funding allocations, and allowable uses of the funds, consistent with the purposes specified in this section.

(4) Allowable uses of the funds shall include reimbursing counties for transportation, treatment costs, and housing felony drunk drivers during a period of assessment for treatment and case planning. Reimbursements for housing during the assessment process shall be at the rate of $43.50 per day per offender, up to a maximum of 5 days per offender.

(5) The standards developed by the committee shall assign each county a maximum funding allocation based on the amount the county received under the county jail reimbursement program in fiscal year 2001-2002 for housing felony drunk drivers whose recommended minimum sentence ranges under the sentencing guidelines described in subsection (1)(c) had upper limits of 18 months or less.

(6) Awards of funding under this section shall be provided consistent with the local comprehensive corrections plans developed under the community corrections act, 1988 PA 511, MCL 791.401 to 791.414. Funds awarded under this section may be used in conjunction with funds awarded under grant programs established under that act. Due to the need for felony drunk drivers to be transitioned from county jails to community treatment services, it is the intent of the legislature that local units of government utilize funds received under this section to support county sheriff departments.

(7) As used in this section, “felony drunk driver” means a felon convicted of operating a motor vehicle under the influence of intoxicating liquor or a controlled substance, or both, third or subsequent offense, under section 625(9)(c) of the Michigan vehicle code, 1949 PA 300, MCL 257.625, or its predecessor statute, punishable as a felony.

Sec. 709. (1) By April 1, 2007, the department shall report to the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on each of the following programs from the previous fiscal year:

(a) The county jail reimbursement program.

(b) The felony drunk driver jail reduction and community treatment program.

(c) The alternatives to prison jail and treatment programs.

(d) Any new initiatives to control prison population growth funded or proposed to be funded under section 105 of part 1.

(2) For each program listed under subsection (1), the report under subsection (1) shall include information on each of the following:

(a) Program objectives and outcome measures.

(b) Expenditures by location.
(c) The impact on jail utilization.
(d) The impact on prison admissions.
(e) Other information relevant to an evaluation of the program.

CONSENT DECREES

Sec. 801. Funding appropriated in part 1 for consent decree line items is appropriated into separate control accounts created for each line item. Funding in each control account shall be distributed as necessary into separate accounts created for the purpose of separately identifying costs and expenditures associated with each consent decree.

HEALTH CARE

Sec. 901. The department shall not expend funds appropriated under part 1 for any surgery, procedure, or treatment to provide or maintain a prisoner's sex change unless it is determined medically necessary by the chief medical officer of the department.

Sec. 902. (1) As a condition of expenditure of the funds appropriated in part 1, the department shall report to the senate and house appropriations subcommittees on corrections on January 1, 2007 and July 1, 2007 the status of payments from contractors to vendors for health care services provided to prisoners, as well as the status of the contracts, and an assessment of prisoner health care quality.

(2) It is the intent of the legislature that, in the interest of providing the most efficient and cost-effective delivery of health care, local health care providers shall be considered and given the opportunity to competitively bid as vendors under future managed care contracts.

Sec. 903. It is the intent of the legislature that, with the funds appropriated in part 1 for hospital and specialty care services, the department shall ensure that local providers of ambulance services to prisoners be reimbursed within 60 days of the filing of any uncontested claim for service.

Sec. 904. (1) The department shall identify and manage prisoners who abuse the availability of medical services by obtaining transportation to off-site medical care when unnecessary or reasonably avoidable. In doing this, the department shall, when appropriate, consult with off-site medical facilities on how to accomplish this goal.

(2) By April 1, 2007, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on its activities and progress in implementing this section.

Sec. 905. The bureau of health care services shall develop information on hepatitis C prevention and the risks associated with exposure to hepatitis C, and the health care providers shall disseminate this information verbally and in writing to each prisoner at the health screening and full health appraisal conducted at admissions, at the annual health care screening 1 week before or after a prisoner's birthday, and prior to release to the community by parole, transfer to community residential placement, or discharge on the maximum.

Sec. 906. From the funds appropriated in part 1, the department shall offer an alanine aminotransferase (ALT) test to each prisoner who has received positive parole action. An explanation of results of the test shall be provided confidentially to the prisoner prior to release on parole, and if appropriate based on the test results, the prisoner shall also be provided a recommendation to seek follow-up medical attention in the community. The test shall be voluntary; if the prisoner refuses to be tested, that decision shall not affect parole release, conditions of parole, or parole supervision.

Sec. 907. The department shall ensure that all medications for a prisoner be transported with that prisoner when the prisoner is transferred from 1 correctional facility to another.

Sec. 908. There are sufficient funds and FTEs appropriated in part 1 to provide a full complement of nurses for clinical complexes working regular pay hours, and it is the intent of the legislature that sufficient nurses be hired or retained to limit the use of overtime other-than-holiday pay.

Sec. 909. The department, in conjunction with efforts to implement the MPRI, shall cooperate with the MDCH to share data and information as they relate to prisoners being released and hepatitis C. By April 1, 2007, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the progress and results of its work and potential outcomes from its work with the MDCH under this section.

INSTITUTIONAL OPERATIONS

Sec. 1001. As a condition of expenditure of the funds appropriated in part 1, the department shall ensure that smoking areas are designated for use by prisoners and staff at each facility except those areas which house prisoners with special medical needs.

Sec. 1002. From the funds appropriated in part 1, the department shall allocate sufficient funds to develop a pilot children's visitation program. The pilot program shall teach parenting skills and arrange for day visitation at these facilities for parents and their children, except for the families of prisoners convicted of a crime involving criminal sexual conduct in which the victim was less than 18 years of age or involving child abuse.

Sec. 1003. The department shall prohibit prisoners access to or use of the Internet or any similar system.

Sec. 1004. Any department employee who, in the course of his or her job, is determined by a physician to have had a potential exposure to the hepatitis B virus, shall receive a hepatitis B vaccination upon request.

Sec. 1005. (1) The inmate housing fund shall be used for the custody, treatment, clinical, and administrative costs associated with the housing of prisoners other than those specifically budgeted for elsewhere in this act. Funding in the inmate housing fund is appropriated into a separate control account. Funding in the control account shall be distributed as necessary into separate accounts created to separately identify costs for specific purposes.

(2) Quarterly reports on all expenditures from the inmate housing fund shall be submitted by the department to the state budget director, the senate and house appropriations subcommittees on corrections, and the senate and house fiscal agencies.

Sec. 1006. The department shall establish a uniform rate to be paid by agencies that benefit from public work services provided by special alternative incarceration participants and prisoners.

Sec. 1007. (1) By April 1, 2007, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on academic/vocational programs for the most recently completed appropriation year. The report shall provide information relevant to an assessment of the department's academic and vocational programs, including, but not limited to, the following:

(a) The number of prisoners enrolled in each program, the number of prisoners completing each program, and the number of prisoners on waiting lists for each program.

(b) The steps the department has undertaken to improve programs and reduce waiting lists.

(c) An explanation of the value and purpose of each program, e.g., to improve employability, reduce recidivism, reduce prisoner idleness, or some combination of these and other factors.

(d) An identification of program outcomes for each academic and vocational program.

(e) An explanation of the department's plans for academic and vocational programs.

(2) By April 1, 2007, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the status of the department's response to the August 2005 performance audit of the prisoner education program by the office of the auditor general. The report shall include the department's status of compliance with each of the following findings:

(a) Finding 1: general educational development program coordination and best practices.

(b) Finding 2: prisoner education files.

(c) Finding 3: performance indicators.

(d) Finding 4: pre-release programs.

(e) Finding 5: prisoner education policies and procedures.

(f) Finding 6: use of educational program resources.

(g) Finding 7: maximization of federal funding.

Sec. 1008. (1) By February 1, 2007, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director, the percent of offenders included in the prison population intake for fiscal years 2004-2005 and 2005-2006 who have a high school diploma or a general educational development (G.E.D.) certificate.

(2) By February 1, 2007, the department shall provide the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director with statistical reports on the efficacy of both department-provided prison general education and vocational education programs in reducing offender recidivism rates. At a minimum, the report should compare the recidivism rates of the following groups of offenders:

(a) Offenders who completed a G.E.D. while in prison and participated in the MPRI.

(b) Offenders who completed a G.E.D. while in prison but did not participate in the MPRI.

(c) Offenders who completed a vocational education program while in prison and participated in the MPRI.

(d) Offenders who completed a vocational education program while in prison but did not participate in the MPRI.

Sec. 1009. As a condition of expending funds appropriated for academic/vocational programs under section 108 of this act, the department shall by January 31, 2007 provide a plan to increase certification rates among prisoners enrolled in general educational development (G.E.D.) programs at correctional facilities to the members of the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director. The plan shall include detailed information on certification rates for the most recent 5-year period, a comparison with prisoner certification rates in other states and a national average, and details on how the department plans to improve certification rates.

Sec. 1010. The department shall allow the Michigan Braille transcribing fund program to operate at its current location. The donation of the building by the Michigan Braille transcribing fund at the G. Robert Cotton correctional facility in Jackson is acknowledged and appreciated. The department shall continue to encourage the Michigan Braille transcribing fund to produce high quality materials for use by the visually impaired.

Sec. 1011. (1) From the appropriations in part 1, the department shall ensure that all prisoner activities shall include the presence of a sufficient number of correctional officers needed to maintain the safety and security of the institution.

(2) By February 1, 2007, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director the number of critical incidents occurring each month by type and the number and severity of assaults occurring each month at each facility during calendar year 2006.

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

A bill to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2007; to provide for the expenditure of the appropriations; to provide for reports; to provide for the creation of certain advisory committees and boards; to prescribe certain powers and duties of the department of corrections, certain other state officers and agencies, and certain advisory committees and boards; to provide for the collection of certain funds; and to provide for the disposition of fees and other income received by certain state agencies.

Alan L. Cropsey
Cameron Brown
Michael Prusi
Conferees for the Senate

John Pastor
Daniel Acciavatti
Alma Smith
Conferees for the House

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

Rep. Ward moved pursuant to Joint Rule 9, that the Journal printing requirement be suspended, printed copies of the conference report having been made available to each Member.

The motion prevailed.

The question being on the adoption of the conference report,

The conference report was then adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 887 **Yeas—104**

Accavitti	Elsenheimer	Leland	Robertson
Acciavatti	Emmons	Lemmons, III	Rocca
Adamini	Espinoza	Lemmons, Jr.	Sak
Amos	Farhat	Lipsey	Schuitmaker
Anderson	Farrah	Marleau	Shaffer
Angerer	Gaffney	Mayes	Sheen
Ball	Garfield	McConico	Sheltrown
Baxter	Gillard	McDowell	Smith, Alma
Bennett	Gleason	Meisner	Smith, Virgil
Bieda	Gonzales	Meyer	Spade
Booher	Green	Miller	Stahl
Brandenburg	Hansen	Moolenaar	Stakoe
Brown	Hildenbrand	Moore	Steil
Byrnes	Hood	Mortimer	Stewart
Byrum	Hoogendyk	Murphy	Taub
Casperson	Hopgood	Newell	Tobocman
Caswell	Hummel	Nitz	Vagnozzi
Caul	Hune	Nofs	Van Regenmorter
Cheeks	Hunter	Palmer	Vander Veen
Clack	Jones	Palsrok	Walker
Clemente	Kahn	Pastor	Ward
Condino	Kolb	Pavlov	Waters
Cushingberry	Kooiman	Pearce	Wenke
DeRoche	LaJoy	Plakas	Williams
Dillon	Law, David	Polidori	Wojno
Donigan	Law, Kathleen	Proos	Zelenko

Nays—2

Drolet Gosselin

In The Chair: Kooiman

Rep. Ward moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.

Senate Bill No. 1082, entitled
A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2007; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.
The Senate has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.
The Conference Report was read as follows:

First Conference Report

The Committee of Conference on the matters of difference between the two Houses concerning
Senate Bill No. 1082, entitled
A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2007; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.
Recommends:
First: That the House recede from the Substitute of the House as passed by the House.
Second: That the Senate and House agree to the Substitute of the Senate as passed by the Senate, amended to read as follows:
A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2007; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for community colleges and certain other state purposes relating to education for the fiscal year ending September 30, 2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

COMMUNITY COLLEGES

APPROPRIATION SUMMARY:		
GROSS APPROPRIATION	$	289,879,400
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	289,879,400
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	289,879,400
Sec. 102. OPERATIONS		
Alpena Community College	$	4,904,800
Bay de Noc Community College		4,949,900
Delta College		13,309,200
Glen Oaks Community College		2,235,500
Gogebic Community College		4,044,400
Grand Rapids Community College		16,707,300

		For Fiscal Year Ending Sept. 30, 2007
Henry Ford Community College		20,330,000
Jackson Community College		11,235,100
Kalamazoo Valley Community College		11,518,600
Kellogg Community College		9,037,500
Kirtland Community College		2,749,100
Lake Michigan College		4,872,600
Lansing Community College		28,890,800
Macomb Community College		30,847,300
Mid Michigan Community College		4,110,400
Monroe County Community College		4,009,800
Montcalm Community College		2,890,000
C.S. Mott Community College		14,587,500
Muskegon Community College		8,292,400
North Central Michigan College		2,810,400
Northwestern Michigan College		8,455,700
Oakland Community College		19,485,000
St. Clair County Community College		6,534,700
Schoolcraft College		11,393,400
Southwestern Michigan College		6,121,100
Washtenaw Community College		11,689,400
Wayne County Community College		15,209,100
West Shore Community College		2,135,700
GROSS APPROPRIATION	$	283,356,700
Appropriated from:		
State general fund/general purpose	$	283,356,700
Sec. 103. GRANTS		
At-risk student success program	$	3,322,700
Renaissance zone tax reimbursement funding		3,200,000
GROSS APPROPRIATION	$	6,522,700
Appropriated from:		
State general fund/general purpose	$	6,522,700

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is $289,879,400.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is $289,879,400.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

Operations	$	283,356,700
At-risk student success program		3,322,700
Renaissance zone tax reimbursement program		3,200,000
TOTAL	$	289,879,400

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

Sec. 203. Unless otherwise specified, a community college receiving appropriations in part 1 and the department of labor and economic growth shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

Sec. 208. The department of labor and economic growth shall work collaboratively with community colleges to develop an accelerated entrepreneurship curriculum, including an associate degree, to provide students with the skills and knowledge needed for creating their own businesses. The department shall submit a report on the results of its work with the community colleges under this section to the house and senate appropriations subcommittees on community colleges, the house and senate fiscal agencies, and the state budget director by February 1, 2007.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality.

Sec. 210. The principal executive officer of each community college receiving appropriations in part 1 shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each principal executive officer shall strongly encourage firms with which the

community college contracts to subcontract with certified businesses in depressed and deprived communities for services or supplies, or both.

Sec. 211. (1) The money appropriated in this act is appropriated for community colleges with fiscal years ending June 30, 2007, and shall be paid out of the state treasury and distributed by the state treasurer to the respective community colleges in 11 monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, 2006. Each community college shall accrue its July and August 2007 payments to its institutional fiscal year ending June 30, 2007. However, if a community college fails to submit all verified Michigan community colleges activities classification structure data for school year 2005-2006 to the department of labor and economic growth by November 1, 2006, the monthly installments shall be withheld from that community college until those data are submitted. The amount from the money appropriated in part 1 that is allocated to address the special needs of at-risk students shall be paid in full by the state treasurer by November 1, 2006. The amount distributed to a community college or department shall not exceed the net state allocation authorized by this act.

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

Sec. 216. (1) A community college shall pay the employer's contributions to the Michigan public school employees' retirement system created by the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, as a condition of receiving money appropriated under this act.

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

Sec. 217. Money appropriated in part 1 shall not be used to pay for the construction or maintenance of a self-liquidating project. Any construction, renovation, or other capital outlay project that exceeds $1,000,000.00 requires the approval of a use and finance statement by the joint capital outlay subcommittee (JCOS) pursuant to JCOS policy.

Sec. 220. It is the intent of the legislature that the legislature restore the infrastructure, technology, equipment, and maintenance (ITEM) funding provided in previous fiscal years.

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

Sec. 230. (1) A community college shall not expend money appropriated under this act to provide health care coverage for community college employees or their dependents for abortion services, other than for spontaneous abortion or to prevent the death of the woman upon whom the abortion is performed. A community college shall not approve a collective bargaining agreement or enter into any other employment contract that includes health care coverage for abortion services other than spontaneous abortion or to prevent the death of the woman upon whom the abortion is performed.

(2) If a community college expends money appropriated under this act in violation of subsection (1), the community college shall repay to this state an amount equal to the amount of money spent in violation of subsection (1).

Sec. 231. In light of sections 1, 3, and 4 of 1846 RS 83, MCL 551.1, 551.3, and 551.4, and section 1 of 1939 PA 168, MCL 551.271, the legislature intends that a community college receiving funding under this act shall not use part 1 money to extend employee benefits to the unmarried partners of the community college's employees except for pre- and post-natal costs.

Sec. 234. Community colleges shall do the following:

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

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

Sec. 235. It is the intent of the legislature that a workgroup be formed to evaluate, discuss, and make recommendations for future action regarding state university admission and enrollment policies that specifically address the acceptance and application of college credits earned by students through the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524. The Michigan community college association may create and administer the workgroup and is encouraged to include members representing university and K-12 school organizations. The workgroup shall submit a report containing its findings and recommendations to the house and senate appropriations subcommittees on community colleges, the house and senate fiscal agencies, and the state budget director by March 1, 2007.

Sec. 236. (1) It is the intent of the legislature that a work group be formed to evaluate, discuss, and make recommendations concerning the expansion of nursing programs at community colleges. The chairs of the house and senate community college appropriations subcommittees shall create and administer the work group whose members shall include members of the legislature, representatives of the Michigan community college association, and representatives of the health care industry in Michigan.

(2) The work group described in subsection (1) shall submit a report containing its findings and recommendations to the house and senate appropriations subcommittees on community colleges, the house and senate fiscal agencies, and the state budget director by March 1, 2007. The report of the work group shall include recommendations for the future funding of community colleges that would encourage the expansion of nursing programs and facilitate the implementation of the findings of the work group. It is the intent of the legislature that future state appropriations for community colleges appropriately fund the approved recommendations of the work group.

Sec. 239. The legislature intends that any executive or legislative proposal or action, subsequent to the adoption of a recommendation for appropriations for community colleges for the fiscal year ending September 30, 2007, to increase appropriations to state-supported 4-year universities in excess of the governor's original recommendation for the fiscal year ending September 30, 2007, will be accompanied by a similar action or proposal for state-supported community colleges.

Sec. 240. The legislature intends that not less than 70% of the economic development job training grant money be awarded to community colleges or a consortium of community colleges and other eligible applicants as provided in the budget that appropriated the economic development job training grant money. Further, the legislature intends that at least a portion of the total appropriation for economic development job training grants be awarded to community colleges that offer certified programs that are bureau of apprenticeship training certified. The Michigan economic development corporation shall report by November 1 of each year to the house and senate appropriations subcommittees on community colleges and the senate and house fiscal agencies the names of the community colleges awarded grant money under this section, the amount of the grants awarded, and the percentage awarded to bureau of apprenticeship training certified programs.

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

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

STATE AID - OPERATIONS

Sec. 301. Unless otherwise stated, all data items used in determining state aid in this act are as defined in the 2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges, which shall be the basis for reporting data, and the 2003 Activities Classification Structure Manual for Michigan Community Colleges, which shall be used to document financial needs of the community colleges.

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

Sec. 303. A community college selected for audit under section 502 whose audited activities classification structure data is significantly different than the data used to determine state aid under this act shall return any overappropriated money as provided in this subsection. The department of labor and economic growth shall compare formula computations for the audited colleges using pre- and post-audit data. If the state allocation is 2% or more than the post-audit allocation amount, the college shall return the excess money. The returned money shall be redistributed to all 28 community colleges, prorated on the base appropriations contained in part 1.

Sec. 304. (1) It is the intent of the legislature that the funding formula developed by the performance indicators task force formed pursuant to section 242 of 2005 PA 154 be used for funding distribution in future years and that the data collected and used to generate the Gast-Mathieu fairness in funding formula continue to be collected and maintained.

(2) It is the intent of the legislature that the recommendations and performance measures developed by the performance indicators task force pursuant to section 242 of 2005 PA 154 be reviewed and more fully implemented for distribution of state funding to community colleges in future years.

GRANTS

Sec. 401. (1) The community college at-risk student success program is continued. The funding shall be prorated among community colleges based on the number of student contact hours for developmental and preparatory instruction reported by each community college to the department of labor and economic growth pursuant to the 2003 Activities Classification Structure Manual for Michigan Community Colleges. Of the amount appropriated in part 1 for the at-risk student success program, $1,120,000.00 is allocated for base grants of $40,000.00 each, to address the special needs of at-risk students at community colleges or the acquisition or upgrade of technology-related equipment and software.

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

percentage shall be divided by the sum of all the percentages systemwide to obtain each community college's prorated grant amount.

(3) For the fiscal year ending September 30, 2007, the at-risk student success program money is allocated as follows:

Alpena Community College	$ 78,600
Bay de Noc Community College	100,800
Delta College	97,900
Glen Oaks Community College	117,500
Gogebic Community College	62,400
Grand Rapids Community College	122,100
Henry Ford Community College	151,900
Jackson Community College	105,000
Kalamazoo Valley Community College	89,400
Kellogg Community College	159,500
Kirtland Community College	124,300
Lake Michigan College	155,800
Lansing Community College	134,500
Macomb Community College	83,300
Mid Michigan Community College	142,200
Monroe County Community College	97,500
Montcalm Community College	66,700
C.S. Mott Community College	103,800
Muskegon Community College	118,500
North Central Michigan College	117,200
Northwestern Michigan College	118,200
Oakland Community College	147,300
St. Clair Community College	92,000
Schoolcraft College	130,000
Southwestern Michigan College	138,600
Washtenaw Community College	159,800
Wayne County Community College	172,400
West Shore Community College	135,500

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

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

(b) Are diagnosed as learning disabled.

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

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

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

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

Sec. 404. The appropriation in part 1 for renaissance zone reimbursements shall be made to each eligible recipient no later than 60 days after the department of treasury certifies to the state budget director that it has received all necessary information to properly determine the amounts due each eligible recipient under section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692.

REPORTS AND AUDITS

Sec. 501. The department of labor and economic growth shall publish the activities classification structure data book for Michigan community colleges on or before March 1, 2007, for use by the legislature during budget development for the fiscal year ending September 30, 2008.

Sec. 502. (1) The auditor general or an independent public accounting firm appointed by the auditor general shall audit data for the fiscal year ending on June 30, 2006, as submitted to the department of labor and economic growth by 7 randomly selected community colleges, selected by the auditor general. A community college shall maintain and provide those records necessary for the auditor general or certified public accountant appointed by the auditor general

to determine the accuracy of the reported data. The audits shall be based upon the definitions and requirements contained in the 2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges and the 2003 Activities Classification Structure Manual for Michigan Community Colleges. Before the submission of a final audit report, a community college may appeal the findings of the preliminary report under an appeal process to be established by the auditor general. The auditor general shall submit a report of the findings to the house and senate appropriations committees, the department of labor and economic growth, and the state budget director before June 1, 2007.

(2) The auditor general or a certified public accountant appointed by the auditor general may conduct performance audits of community colleges as the auditor general considers necessary.

(3) Not more than 60 days after an audit report is released by the office of the auditor general, the principal executive officer of the community college that was audited shall submit to the house and senate appropriations committees, the house and senate fiscal agencies, the department of labor and economic growth, the auditor general, and the state budget director a plan to comply with audit recommendations. The plan shall contain projected dates and resources required, if any, to achieve compliance with the audit recommendations, or a documented explanation of the college's noncompliance with the audit recommendations concerning the matters on which the audited community college and office of the auditor general disagree.

Sec. 503. The department of labor and economic growth shall review the taxonomy of the 7 community colleges selected for the audit under section 502 that is based on the 2003 Activities Classification Structure Manual for Michigan Community Colleges.

Sec. 504. (1) A community college shall retain certified class summaries, class lists, registration documents, and student transcripts that are consistent with the taxonomy of courses. For each enrollment period during the fiscal year, these certified documents shall identify clearly by course the number of in-district and out-of-district student credit and contact hours. The class summaries and class lists shall be consistent with each other and shall include the course prefix and numbers, course title, course credit and contact hours, credit and contact hours generated by each student, and activity classifications consistent with the taxonomy. An auditable process shall be used by the community college to determine the unduplicated head count for in-district students, out-of-district students, and prisoners for each enrollment period during the fiscal year.

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

Sec. 505. Each community college shall have an annual audit of all income and expenditures performed by an independent auditor and shall furnish the independent auditor's management letter and an annual audited accounting of all general and current funds income and expenditures including audits of college foundations to the members of the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, the auditor general, the department of labor and economic growth, and the state budget director before November 15, 2006. If a community college fails to furnish the audit materials, the monthly state aid installments shall be withheld from that college until the information is submitted. All reporting shall conform to the requirements set forth in the 2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges.

Sec. 506. (1) Each community college shall report the following to the department of labor and economic growth no later than November 1, 2006:

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

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

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

(3) The department of labor and economic growth shall compile the information received under subsection (1) and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director by January 7, 2007.

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

Sec. 508. (1) Each community college shall report to the house and senate fiscal agencies, the state budget director, and the department of labor and economic growth by August 31, 2006, the tuition and mandatory fees paid by a full-time in-district student and a full-time out-of-district student as established by the college governing board for the 2006-2007 academic year. This report should also include the annual cost of attendance based on a full-time course load of 30 credits. Each community college shall also report any revisions to the reported 2006-2007 academic year tuition and mandatory fees adopted by the college governing board to the house and senate fiscal agencies, the state budget director, and the department of labor and economic growth within 15 days of being adopted.

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

Sec. 509. (1) Each community college shall report to the department of labor and economic growth the numbers and type of associate degrees and other certificates awarded during the previous fiscal year. The report shall be made not later than November 15, 2006.

(2) The department of labor and economic growth shall compile the information received under subsection (1) and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director by January 7, 2007.

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

Sec. 511. (1) It is the intent of the legislature that the frequency and scope of on-site visits, evaluations, audits, and similar activities be limited to that which is reasonably necessary to monitor the performance of community colleges and confirm the accuracy of reported data. On-site visits, evaluations, audits, and similar activities conducted to comply with the state plan approved by the United States department of education under the Perkins act shall be limited to those necessary to meet the requirements of the state plan.

(2) In developing and implementing audit and reporting requirements, including those included in current and proposed state plans under the Perkins act, the department of labor and economic growth shall consult with community colleges, the legislative auditor general, and independent auditors in an effort to coordinate activities and minimize duplication of audit and reporting requirements imposed on community colleges.

(3) At least 30 days before submission of a new state plan to the United States department of education for approval under the Perkins act, the department of labor and economic growth shall provide copies of the proposed plan to the members of the senate and house appropriations subcommittees on community colleges for their review and comment. Copies of the proposed plan shall be provided to the senate and house fiscal agencies and the state budget director at the same time that they are provided to the senate and house subcommittees.

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

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

Sec. 513. The department of treasury shall annually collect and compile data on the tax revenue losses to community colleges resulting from tax increment financing authorities (TIFA) and tax abatements. The department of treasury shall produce a report detailing the data. The report shall be completed and presented to the house and senate appropriations subcommittees on community colleges, the department of career development, and the department of management and budget not later than March 1, 2007. The report shall include, but is not limited to, the following:

(a) Estimated revenue losses for each community college for the calendar year 2006.

(b) Confirmed revenue losses for each community college for the calendar years 2004 and 2005.

(c) Other requirements requested by the house and senate appropriations subcommittees on community colleges.

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

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2007; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

Ron Jelinek
Mike Goschka
Michael Switalski
Conferees for the Senate

Darwin Booher
Glenn Steil, Jr.
Michael Sak
Conferees for the House

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

Rep. Ward moved pursuant to Joint Rule 9, that the Journal printing requirement be suspended, printed copies of the conference report having been made available to each Member.

The motion prevailed.

The question being on the adoption of the conference report,

The conference report was then adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 888 **Yeas—104**

Accavitti	Elsenheimer	Leland	Robertson
Acciavatti	Emmons	Lemmons, III	Rocca

Adamini
Amos
Anderson
Angerer
Ball
Baxter
Bennett
Bieda
Booher
Brandenburg
Brown
Byrnes
Byrum
Casperson
Caswell
Caul
Cheeks
Clack
Clemente
Condino
Cushingberry
DeRoche
Dillon
Donigan
Espinoza
Farhat
Farrah
Gaffney
Garfield
Gillard
Gleason
Gonzales
Green
Hansen
Hildenbrand
Hood
Hoogendyk
Hopgood
Hummel
Hune
Hunter
Jones
Kahn
Kolb
Kooiman
LaJoy
Law, David
Law, Kathleen
Lemmons, Jr.
Lipsey
Marleau
Mayes
McConico
McDowell
Meisner
Meyer
Miller
Moolenaar
Moore
Mortimer
Murphy
Newell
Nitz
Nofs
Palmer
Palsrok
Pastor
Pavlov
Pearce
Plakas
Polidori
Proos
Sak
Schuitmaker
Shaffer
Sheen
Sheltrown
Smith, Alma
Smith, Virgil
Spade
Stahl
Stakoe
Steil
Stewart
Taub
Tobocman
Vagnozzi
Van Regenmorter
Vander Veen
Walker
Ward
Waters
Wenke
Williams
Wojno
Zelenko

Nays—2

Drolet
Gosselin

In The Chair: Kooiman

Rep. Ward moved that the bill be given immediate effect.

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

Senate Bill No. 1088, entitled

A bill to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2007; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

The Senate has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The Conference Report was read as follows:

First Conference Report

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

Senate Bill No. 1088, entitled

A bill to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2007; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

Recommends:

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

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

A bill to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2007; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for higher education for the fiscal year ending September 30, 2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

HIGHER EDUCATION

APPROPRIATION SUMMARY:		
Full-time equated classified positions	1.0	
GROSS APPROPRIATION	$	1,787,491,300
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	1,787,491,300
Federal revenues:		
Total federal revenues		3,000,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		159,700,000
State general fund/general purpose	$	1,624,791,300
Sec. 102. CENTRAL MICHIGAN UNIVERSITY		
Operations	$	82,383,700
GROSS APPROPRIATION	$	82,383,700
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund		538,440
State general fund/general purpose	$	81,845,260
Sec. 103. EASTERN MICHIGAN UNIVERSITY		
Operations	$	78,168,700
GROSS APPROPRIATION	$	78,168,700
Appropriated from:		
State general fund/general purpose	$	78,168,700
Sec. 104. FERRIS STATE UNIVERSITY		
Operations	$	50,045,100
GROSS APPROPRIATION	$	50,045,100
Appropriated from:		
State general fund/general purpose	$	50,045,100
Sec. 105. GRAND VALLEY STATE UNIVERSITY		
Operations	$	64,797,700
GROSS APPROPRIATION	$	64,797,700
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund		5,000,000
State general fund/general purpose	$	59,797,700
Sec. 106. LAKE SUPERIOR STATE UNIVERSITY		
Operations	$	12,928,400
GROSS APPROPRIATION	$	12,928,400
Appropriated from:		
State general fund/general purpose	$	12,928,400
Sec. 107. MICHIGAN STATE UNIVERSITY		
Operations	$	292,185,500
Agricultural experiment station		33,827,100
Cooperative extension service		29,176,400
GROSS APPROPRIATION	$	355,189,000
Appropriated from:		
State general fund/general purpose	$	355,189,000
Sec. 108. MICHIGAN TECHNOLOGICAL UNIVERSITY		
Operations	$	49,219,300
GROSS APPROPRIATION	$	49,219,300

		For Fiscal Year Ending Sept. 30, 2007
Appropriated from:		
State general fund/general purpose	$	49,219,300
Sec. 109. NORTHERN MICHIGAN UNIVERSITY		
Operations	$	46,399,400
GROSS APPROPRIATION	$	46,399,400
Appropriated from:		
State general fund/general purpose	$	46,399,400
Sec. 110. OAKLAND UNIVERSITY		
Operations	$	52,409,000
GROSS APPROPRIATION	$	52,409,000
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund		1,941,768
State general fund/general purpose	$	50,467,232
Sec. 111. SAGINAW VALLEY STATE UNIVERSITY		
Operations	$	28,874,500
GROSS APPROPRIATION	$	28,874,500
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund		2,019,792
State general fund/general purpose	$	26,854,708
Sec. 112. UNIVERSITY OF MICHIGAN - ANN ARBOR		
Operations	$	325,796,300
GROSS APPROPRIATION	$	325,796,300
Appropriated from:		
State general fund/general purpose	$	325,796,300
Sec. 113. UNIVERSITY OF MICHIGAN - DEARBORN		
Operations	$	25,456,600
GROSS APPROPRIATION	$	25,456,600
Appropriated from:		
State general fund/general purpose	$	25,456,600
Sec. 114. UNIVERSITY OF MICHIGAN - FLINT		
Operations	$	21,520,300
GROSS APPROPRIATION	$	21,520,300
Appropriated from:		
State general fund/general purpose	$	21,520,300
Sec. 115. WAYNE STATE UNIVERSITY		
Operations	$	220,033,000
GROSS APPROPRIATION	$	220,033,000
Appropriated from:		
State general fund/general purpose	$	220,033,000
Sec. 116. WESTERN MICHIGAN UNIVERSITY		
Operations	$	112,876,400
GROSS APPROPRIATION	$	112,876,400
Appropriated from:		
State general fund/general purpose	$	112,876,400
Sec. 117. STATE AND REGIONAL PROGRAMS		
Full-time equated positions 1.0		
Higher education database modernization and conversion—1.0 FTE position	$	200,000
Midwestern higher education compact		90,000
GROSS APPROPRIATION	$	290,000
Appropriated from:		
State general fund/general purpose	$	290,000
Sec. 118. MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAM		
Select student supportive services	$	1,956,100
Michigan college/university partnership program		586,800

		For Fiscal Year Ending Sept. 30, 2007
Morris Hood, Jr. educator development program		148,600
GROSS APPROPRIATION	$	2,691,500
Appropriated from:		
State general fund/general purpose	$	2,691,500
Sec. 119. GRANTS AND FINANCIAL AID		
State competitive scholarships	$	34,130,500
Tuition grants		58,768,100
Michigan work-study program		7,326,300
Part-time independent student program		2,653,300
Michigan education opportunity grants		2,084,200
Robert C. Byrd honors scholarship program		1,500,000
Nursing scholarship and grant programs		4,250,000
Michigan merit award program		127,700,000
Tuition incentive program		14,000,000
Children of veterans tuition grant program		1,000,000
Michigan leadership, education and development initiative		5,000,000
GROSS APPROPRIATION	$	258,412,400
Appropriated from:		
Federal revenues:		
Higher education act of 1965, title IV, 20 USC		1,500,000
Higher education act of 1965, title IV, part A		1,500,000
Special revenue funds:		
Michigan merit award trust fund		138,300,000
Michigan higher education assistance authority operating fund		3,000,000
Tuition grant carryforward		2,900,000
Michigan civilian conservation corps endowment fund		5,000,000
Contributions to children of veterans tuition grant program		1,000,000
State general fund/general purpose	$	105,212,400

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is $1,784,491,300.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is $3,759,100.00. The itemized statement below identifies the estimated appropriations from which spending to local units of government will occur:

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

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

Sec. 208. Unless otherwise specified, the institutions of higher education receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods and services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable value.

Sec. 212. (1) The funds appropriated in part 1 to state institutions of higher education shall be paid out of the state treasury and distributed by the state treasurer to the respective institutions in 11 equal monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, 2006. Except for Wayne State University, each institution shall accrue its July and August 2007 payments to its institutional fiscal year ending June 30, 2007.

(2) All universities shall submit higher education institutional data inventory (HEIDI) data and associated financial and program information requested by and in a manner prescribed by the state budget director. For universities with fiscal years ending June 30, 2006, these data shall be submitted to the state budget director by October 15, 2006.

Universities with a fiscal year ending September 30, 2006 shall submit preliminary HEIDI data by November 15, 2006 and final data by December 15, 2006. If a university fails to submit HEIDI data and associated financial aid program information in accordance with this reporting schedule, the state treasurer shall withhold the monthly installments under subsection (1) to the university until those data are submitted.

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

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

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

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

GRANTS AND FINANCIAL AID

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

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

(3) If a student who receives an award under this section has his or her tuition and fees paid under the Michigan educational trust program, pursuant to the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1442, and still has financial need, the funds awarded under this section may be used for educational expenses other than tuition and fees.

(4) If the Michigan higher education assistance authority increases the maximum award per eligible student from that provided in the previous fiscal year, it shall not have the effect of reducing the number of eligible students receiving awards in relation to the total number of eligible applicants. Any increase in the maximum grant shall be proportional for all eligible students receiving awards.

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

Sec. 302. (1) The amounts appropriated in part 1 for the state tuition grant program shall be distributed pursuant to 1966 PA 313, MCL 390.991 to 390.997a.

(2) Tuition grant awards shall be made to all eligible Michigan residents who apply before July 1, 2006 and who are qualified. Tuition grant awards shall not be made to students newly enrolled in a juris doctor law degree program after the 1995-1996 academic year.

(3) The Michigan higher education assistance authority shall determine an actual maximum tuition grant award per student, which shall be no less than $2,000.00, that ensures that the aggregate payments for the tuition grant program do not exceed the appropriation contained in part 1 for the state tuition grant program. If the authority determines that insufficient funds are available to establish a maximum award amount of $2,000.00, the authority shall immediately report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director, regarding the estimated amount of additional funds necessary to establish a $2,000.00 maximum award amount. By December 15, 2006, and again by February 1, 2007, the authority shall analyze the status of award commitments, shall make any necessary adjustments, and shall confirm that those award commitments will not exceed the appropriation contained in part 1 for the tuition grant program. The determination and actions shall be reported to the state budget director and the house and senate fiscal agencies no later than February 15, 2007. If award adjustments are necessary, the students shall be notified of the adjustment by the third Monday in February.

(4) Any unexpended and unencumbered funds remaining on September 30, 2007 from the amounts appropriated in part 1 for the tuition grant program shall not lapse on September 30, 2007, but shall continue to be available for expenditure for tuition grants provided in the 2007-2008 fiscal year. The use of these unexpended fiscal year 2006-2007 funds shall terminate at the end of the 2007-2008 fiscal year.

(5) The Michigan higher education assistance authority shall continue a proportional tuition grant maximum award level for recipients enrolled less than full-time in a given semester or term.

(6) If the Michigan higher education assistance authority increases the maximum award per eligible student from that provided in the previous fiscal year, it shall not have the effect of reducing the number of eligible students receiving awards in relation to the total number of eligible applicants. Any increase in the maximum grant shall be proportional for all eligible students receiving awards for fiscal year 2006-2007.

(7) All Ferris State University students enrolled at Kendall College of Art and Design prior to January 1, 2001 who were qualified for the state tuition grant shall continue to receive the dollar amount of the state tuition grant for which they were eligible until they graduate or are no longer enrolled in the Kendall College of Art and Design at Ferris State University.

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

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

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

Sec. 307. The auditor general may audit selected enrollments, degrees, and awards at selected independent colleges and universities receiving awards administered by the department of treasury. The audits shall be based upon definitions and requirements established by the Michigan higher education assistance authority, the state budget director, and the senate and house fiscal agencies. The auditor general shall accept the Free Application for Federal Student Aid (FAFSA) form as the standard of residency documentation. The auditor general shall submit a report of findings to the senate and house appropriations committees and state budget director by May 1, 2007.

Sec. 308. The sums appropriated in part 1 for the student financial aid programs shall be paid out of the state treasury and shall be distributed to the respective institutions under a quarterly payment system as follows:

(a) For the state competitive scholarship, nursing scholarship, tuition incentive, and tuition grant programs, 40% shall be paid at the beginning of the state's first fiscal quarter, 40% at the beginning of the state's second fiscal quarter, 10% at the beginning of the state's third fiscal quarter, and 10% at the beginning of the state's fourth fiscal quarter.

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

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

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

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

Sec. 310. (1) The funds appropriated in part 1 for the tuition incentive program/high school completion program shall be distributed as provided in this section and pursuant to the administrative procedures for the tuition incentive program/high school completion program of the department of treasury.

(2) As used in this section:

(a) "Phase I" means the first part of the tuition incentive assistance program defined as the academic period of 80 semester or 120 term credits, or less, leading to an associate degree or certificate.

(b) "Phase II" means the second part of the tuition incentive assistance program which provides assistance in the third and fourth year of 4-year degree programs.

(c) "Department" means the department of treasury.

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

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

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

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

(*iii*) Be a United States citizen and a resident of Michigan according to institutional criteria.

(*iv*) Be at least a half-time student, earning less than 80 semester or 120 term credits at a participating educational institution within 4 years of high school graduation or GED certificate completion.

(*v*) Request information on filing a FAFSA.

(b) To be eligible for phase II, a person shall meet either of the following criteria in addition to the criteria in subdivision (a):

(*i*) Complete at least 56 transferable semester or 84 transferable term credits.

(*ii*) Obtain an associate degree or certificate at a participating institution.

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

(4) For phase I, the department shall provide payment on behalf of a person eligible under subsection (3). The department shall reject billings that are excessive or outside the guidelines for the type of educational institution.

(5) For phase I, all of the following apply:

(a) Payments for associate degree or certificate programs shall not be made for more than 80 semester or 120 term credits for any individual student at any participating institution.

(b) For persons enrolled at a Michigan community college, the department shall pay the current in-district tuition and mandatory fees. For persons residing in an area that is not included in any community college district, the out-of-district tuition rate may be authorized.

(c) For persons enrolled at a Michigan public university, the department shall pay lower division resident tuition and mandatory fees for the current year.

(d) For persons enrolled at a Michigan independent, nonprofit degree granting college or university, or a Michigan federal tribally controlled community college, or Focus: HOPE, the department shall pay mandatory fees for the current year and a per-credit payment that does not exceed the average community college in-district per-credit tuition rate as reported on August 1, for the immediately preceding academic year.

(6) A person participating in phase II may be eligible for additional funds not to exceed $500.00 per semester or $400.00 per term up to a maximum of $2,000.00 subject to the following conditions:

(a) Credits are earned in a 4-year program at a Michigan degree granting 4-year college or university.

(b) The tuition reimbursement is for coursework completed within 30 months of completion of the phase I requirements.

(7) The department shall work closely with participating institutions to develop an application and eligibility determination process that will provide the highest level of participation and ensure that all requirements of the program are met.

(8) Applications for the tuition incentive program may be approved at any time after the student begins the sixth grade. If a determination of financial eligibility is made, that determination is valid as long as the student meets all other program requirements and conditions.

(9) Each institution shall ensure that all known available restricted grants for tuition and fees are used prior to billing the tuition incentive program for any portion of a student's tuition and fees.

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

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

Sec. 312. From the funds appropriated in part 1 for nursing scholarship and grant programs, the Michigan higher education assistance authority shall administer any nursing scholarship or nursing school grant programs authorized under the Michigan nursing scholarship act, 2002 PA 591, MCL 390.1181 to 390.1189. The Michigan higher education assistance authority shall include a master's degree in a nursing program as eligible for the funds appropriated in part 1 for nursing scholarship and grant programs. An individual receiving a scholarship for a master's degree in a nursing program is subject to the same employment, repayment, and other obligations imposed on nursing scholarship recipients under the Michigan nursing scholarship act, 2002 PA 591, MCL 390.1181 to 390.1189.

Sec. 313. (1) The funds appropriated in part 1 for the Michigan leadership, education and development initiative (MiLEAD) shall be used to provide grants to higher education institutions for residential programs for at-risk youth to provide them with college credits while they perform conservation-based community service.

(2) MiLEAD grants of up to $1,000,000.00 each may be awarded by the Michigan department of natural resources to Michigan public community colleges, Michigan public universities, and Michigan independent, nonprofit degree granting colleges and universities to provide 1-year residency programs. The college or university shall identify critical conservation projects that provide MiLEAD participants with a paid work experience and provide participants with necessary remedial course work and additional education opportunities resulting in college credit.

(3) Each college or university receiving a MiLEAD grant shall document the educational, work, and life skills outcomes for each MiLEAD participant and provide an annual report to the Michigan department of natural resources in a form specified by the department.

(4) The funds appropriated in part 1 for MiLEAD shall be considered a work project pursuant to section 451(a) of the management and budget act, 1984 PA 431, MCL 18.1451a, with an estimated completion date of September 30, 2010.

Sec. 314. By December 1 of each year, the Michigan higher education assistance authority shall submit a report to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and

senate fiscal agencies for the preceding fiscal year on the children of veterans tuition grant program. The report shall include, but is not limited to, the total number of tuition grants paid by the authority in the preceding fiscal year, the total dollar amount of those tuition grants, and the number of students receiving tuition grants and the total amount of those tuition grants at each eligible institution.

STATE UNIVERSITIES

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

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

Sec. 418. (1) The amounts appropriated for state university operations under sections 102 to 116 were based on the funding model calculations described in this section.

(2) The total funds initially allocated under the funding model were equal to $1,448,228,700.00. From this amount, the following percentages were allocated to the following components:

(a) 37.5% to an enrollment-based component.

(b) 37.5% to a degree-based component.

(c) 25.0% to a research-based component.

(3) Under the enrollment-based component, each state university received a funding amount per resident, or nonresident undergraduate, fiscal year equated student and a funding amount per nonresident graduate fiscal year equated student, based on fiscal year 2004-2005 data reported to the higher education institutional data inventory (HEIDI). The amount per nonresident graduate student was set at 75.0% of the amount per resident, or nonresident undergraduate, student. Those amounts were calculated so that total enrollment-based funding to all state universities was equal to the funds allocated to this component.

(4) Under the degree-based component, each state university received a funding amount per degree completion based on fiscal year 2004-2005 data reported to the integrated postsecondary education data system and subsequently included in HEIDI. Degree completions resulting solely from instructional activity occurring outside the state were excluded from the data utilized in the funding model. The base funding amount was multiplied, in sequence, by weights that vary by the academic level and program category of the degree. The base funding amount for a bachelor's degree in a general field was calculated so that total degree-based funding was equal to the funds allocated to this component. The weights were as follows:

(a) Academic level:

(*i*) 0.25 for an associate's degree.

(*ii*) 1.00 for a bachelor's degree.

(*iii*) 0.25 for a master's or doctoral degree.

(*iv*) 0.50 for a professional degree.

(b) Program category:

(*i*) 1.00 for a degree in a general area.

(*ii*) 2.00 for a degree in a natural science- or math-related area or an education degree in a math-, science-, technical, or special education-related subarea.

(*iii*) 4.00 for a degree in an engineering- or technology-related area.

(*iv*) 4.00 for a degree in a health-related area.

(5) Under the research-based component, each state university received funds based on a percentage of science- and engineering-related obligations awarded to that state university by the federal government based on the average of fiscal year 2001-2002 and fiscal year 2002-2003 data reported by the national science foundation based on a survey of federal agencies. For a university subject to section 418(7) of article 8 of 2005 PA 154, the intent stated in section 418(7) of article 8 of 2005 PA 154 was recognized by increasing the amount of the university's federal obligations effectively matched in the fiscal year 2005-2006 funding model by the percentage increase in the university's average obligations for fiscal years 2001-2002 and 2002-2003 from the average obligations for fiscal years 2000-2001 and 2001-2002. The percentage of federal obligations matched under the funding model was calculated so that total research-based funding was equal to the funds allocated to this component.

(6) The initial funding amount for each state university was calculated by adding the amounts calculated under each of the 3 funding model components under subsection (2). To determine the final funding amount for each state university under the funding model, positive differences from the fiscal year 2005-2006 enacted funding amount for each

university were limited to 2.9%. Universities with negative differences from fiscal year 2005-2006 enacted funding amounts were held harmless.

(7) It is the intent of the legislature to continue to gather information and review performance indicators that better reflect the uniqueness of each state university's mission, which include, but are not limited to, the distinct missions of research institutions, institutions with medical schools, institutions that offer specialized programs, and institutions that serve geographic areas in which access to postsecondary education is limited.

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

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

Sec. 433. (1) Included in part 1 is $2,953,400.00 for the agricultural experiment station and $2,619,000.00 for the cooperative extension service for project GREEEN. Project GREEEN is intended to address critical regulatory, food safety, economic, and environmental problems faced by this state's plant-based agriculture, forestry, and processing industries. "GREEEN" is an acronym for generating research and extension to meet environmental and economic needs.

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

(3) Not later than September 30, 2007, a report shall be submitted by Michigan State University to the state budget director, the house and senate appropriations subcommittees on agriculture and on higher education, and the house and senate fiscal agencies for the preceding fiscal year regarding project GREEEN projects. The report shall include, but is not limited to, the dollar amount of each project and a review of each project's performance and accomplishments.

Sec. 436. It is the intent of the legislature that if any Michigan public university increases its resident undergraduate tuition and required fees from academic year 2005-2006 to academic year 2006-2007, then that university shall increase its fiscal year 2006-2007 general fund expenditures for student financial aid by at least the same percentage as the percentage change in resident undergraduate tuition and required fees. Each public university shall report its proposed fiscal year 2006-2007 general fund expenditures for student financial aid compared to its projected fiscal year 2005-2006 general fund expenditures for student financial aid, and its projected academic year 2006-2007 resident undergraduate tuition and required fee changes from academic year 2005-2006, to the state budget director and the house and senate appropriations subcommittees on higher education by November 15, 2006.

Sec. 440. All universities shall submit the amount of tuition and fees actually charged to a full-time resident undergraduate student for academic year 2006-2007 as part of their higher education institutional data inventory (HEIDI) data by August 31, 2006. A university shall report any revisions for any semester of the reported academic year 2006-2007 tuition and fee charges to HEIDI within 15 days of being adopted.

Sec. 450. The amount allocated under part 1 for per-student floor funding is equal to $3,775.00 per 2004-2005 fiscal-year-equated student at each university, except for Grand Valley State University due to limited state resources. The number of 2004-2005 fiscal-year-equated students at a university is determined by reference to the higher education institutional data inventory (HEIDI).

Sec. 461. From the amount appropriated in part 1 to Lake Superior State University for operations, $100,000.00 shall be paid to Bay Mills Community College for the costs of waiving tuition for North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

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

Sec. 501. (1) Included in the appropriation for each public university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks future faculty program, that is intended to increase the pool of minority candidates pursuing faculty teaching careers in postsecondary education. Each university shall apply the percentage change applicable to every university in the calculation of appropriations in part 1 to the amount of funds allocated to the future faculty program.

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

Sec. 502. (1) Included in the appropriation for each public university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college day program that is intended to introduce schoolchildren underrepresented in postsecondary education to the potential of a college education.

(2) Individual program plans of each university shall include a budget of equal contributions from this program, the participating public university, the participating school district, and the participating independent degree granting college. College day funds shall not be expended to cover indirect costs. Not more than 20% of the university match shall be attributable to indirect costs. Each university shall apply the percentage change applicable to every university in the calculation of appropriations in part 1 to the amount of funds allocated to the college day program.

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

Sec. 503. (1) Included in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student support services program for developing academically and economically disadvantaged student retention programs for 4-year public and independent educational institutions in this state.

(2) An award made under this program to any 1 institution shall not be greater than $150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or university basis.

(3) The program shall be administered by the Michigan department of labor and economic growth.

Sec. 504. (1) Included in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university partnership program between 4-year public and independent colleges and universities and public community colleges, which is intended to increase the number of academically and economically disadvantaged students who transfer from community colleges into baccalaureate programs.

(2) The grants shall be made under this program to Michigan public and independent colleges and universities. An award to any 1 institution shall not be greater than $150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or university basis.

(3) The program shall be administered by the Michigan department of labor and economic growth.

Sec. 505. (1) Included in the appropriation for each public university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks visiting professors program which is intended to increase the number of underrepresented minority instructors in the classroom and provide role models for underrepresented minority students.

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

Sec. 506. (1) Included in the appropriation in part 1 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the Morris Hood, Jr. educator development program which is intended to increase the number of minority students, especially males, who enroll in and complete K-12 teacher education programs at the baccalaureate level.

(2) The program shall be administered by each state-approved teacher education institution in a manner prescribed by the Michigan department of labor and economic growth.

(3) Approved teacher education institutions may and are encouraged to use student support services funding in coordination with the Morris Hood, Jr. funding to achieve the goals of the program.

Sec. 507. Each state institution of higher education receiving funds under section 503, 504, or 506 shall notify the Michigan department of labor and economic growth by April 15, 2007 as to whether it will expend by the end of its fiscal year the funds received under section 503, 504, or 506. Notwithstanding the award limitations in sections 503 and 504, the amount of funding reported as not being expended will be reallocated to the institutions that intend to expend all funding received under section 503, 504, or 506.

STUDENT PERFORMANCE REPORTING

Sec. 601. (1) From the amount appropriated in part 1 for state universities, the state universities shall systematically inform Michigan high schools regarding the academic status of students from each high school in a manner prescribed by the presidents council, state universities of Michigan in cooperation with the Michigan association of secondary school principals.

(2) The Michigan high schools shall systematically inform the state universities about the use of information received under this section in a manner prescribed by the Michigan association of secondary school principals in cooperation with the presidents council, state universities of Michigan.

Sec. 602. From the amount appropriated in part 1 for state universities, the state universities shall inform Michigan community colleges regarding the academic status of community college transfer students in a manner prescribed by the presidents council, state universities of Michigan in cooperation with the Michigan community college association.

GENERAL REPORTS AND AUDITS

Sec. 701. (1) The auditor general shall review higher education institutional data inventory (HEIDI) enrollment data submitted by all public universities and may perform audits of selected public universities if determined necessary. The review and audits shall be based upon the definitions, requirements, and uniform reporting categories established by the state budget director and the senate and house fiscal agencies. The auditor general shall submit a report of findings to the house and senate appropriations committees and the state budget director no later than July 1, 2007.

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

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

(b) Student credit hours generated through distance learning instruction for students not paying the institution's resident tuition rate.

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

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

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

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

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

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

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

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

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

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

Sec. 701a. (1) Pursuant to section 701(2)(e), the following degree programs may be established:

(a) Bachelors

Central Michigan University, Biochemistry, B.S. & B.A.

Eastern Michigan University, 3 + 2 Combined B.S./M.P.A., B.S./M.P.A.

Eastern Michigan University, K-12 Teacher Certification in German, B.A.

Eastern Michigan University, K-12 Teacher Certification in Spanish, B.A.

Eastern Michigan University, Physical Science, B.S.

Ferris State University, Early Childhood Education, B.S.

Grand Valley State University, Exercise Science, B.S.

Lake Superior State University, Industrial Technology, B.S.

Michigan State University, Global and Area Studies, B.A. & B.S.

Michigan Technological University, Exercise Science, B.S.

Oakland University, Business Economics, B.S.

Oakland University, Information Technology, B.S.

Saginaw Valley State University, Bachelor of Science in Health Science, B.S.

University of Michigan-Ann Arbor, Public Policy, B.A.

University of Michigan-Dearborn, Women and Gender Studies, B.A.

Wayne State University, Major in Asian Studies, B.A.

(b) Masters

Saginaw Valley State University, Master of Science in Leadership Health, M.S.

University of Michigan-Ann Arbor, Natural Resources and Environment-Sustainable Systems, M.S.

University of Michigan-Flint, Specialization in Special Education within the Master of Arts Program, M.A. in Ed.

Wayne State University, Industrial/Organizational Psychology, M.A.

Wayne State University, M.S. in Alternative Energy Technologies, M.S.

(c) Doctoral

Grand Valley State University, Educational Specialist in Leadership, Ed. S.

Michigan State University, Chicano/Latino Studies, Ph.D.

Michigan Technological University, Biomedical Engineering, Ph.D.

University of Michigan-Ann Arbor, Design Science, Ph.D.

University of Michigan-Ann Arbor, Screen Arts and Cultures, Ph.D.

Wayne State University, Social Work, Ph.D.

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

(3) When submitting the listing of new degree programs for future fiscal years, the presidents council shall also provide a listing of degree programs that will no longer be offered in subsequent academic years.

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

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

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

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

Sec. 708. The auditor general may conduct performance audits of state universities during the fiscal year ending September 30, 2007 as the auditor general considers necessary.

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

Sec. 711. (1) Not later than May 31, 2007, each of Michigan's public universities shall submit to the state budget director, members of the house of representatives and the senate, and the house and senate fiscal agencies a report on the efforts of the university to increase the number of education degrees conferred for teaching as follows:

(a) Middle school and high school mathematics, physics, chemistry, and biology.

(b) The languages of Chinese, Korean, Japanese, Arabic, Spanish, French, Russian, and German.

(c) In critical shortage disciplines, as determined by the superintendent of public instruction pursuant to section 61(5) of the public school employees retirement act of 1979, 1979 PA 300, MCL 38.1361.

(2) At the beginning of every semester or term, the college of education of each Michigan public university shall provide to all of its students the most current listing of critical shortage disciplines compiled by the superintendent of public instruction pursuant to section 61(5) of the public school employees retirement act of 1979, 1979 PA 300, MCL 38.1361.

Sec. 712. Not later than February 1, 2007, each of Michigan's public universities shall submit to the state budget director, members of the house of representatives and the senate, and the house and senate fiscal agencies a report on all of the following for academic year 2005-2006 for the university:

(a) The amount of private, state, and federal research funding sought after, pledged, or received.

(b) The number of businesses, companies, or organizations that used licensed or patented technology developed at the university.

(c) How many of those businesses, companies, or organizations are domiciled in the state of Michigan and whose primary business location is the state of Michigan.

(d) How many jobs were created in Michigan as a direct result of any new businesses, companies, or organizations that were created or any businesses, companies, or organizations that expanded, if known. The university shall make a concerted effort to obtain this information.

(e) The length of time it took for the university to transfer its technology outside the university. The metric used to measure technology transfer shall be the date of disclosure to the date a licensure or option agreement is executed.

(f) The number of patent applications filed by that university, the number of patents granted to that university, and the number of those patents that were used commercially within the state of Michigan.

(g) Intellectual property rights policies.

(h) The number of jobs created or retained in the state of Michigan that are directly attributable to research and technology transfer at the university, if known. The university shall make a concerted effort to obtain this information.

(i) The number of students who graduated from the university with an advanced degree in mathematics, science, health care, or engineering, and the number of those graduates that remained in Michigan to work and how long and in what capacity they plan to work, if known. The university shall make a concerted effort to obtain this information.

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

A bill to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2007; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

Mike Goschka
Shirley Johnson
Deborah Cherry
Conferees for the Senate

John Stewart
Bill Caul
Chris Kolb
Conferees for the House

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

Rep. Ward moved pursuant to Joint Rule 9, that the Journal printing requirement be suspended, printed copies of the conference report having been made available to each Member.

The motion prevailed.

The question being on the adoption of the conference report,

The conference report was then adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 889 **Yeas—104**

Accavitti	Elsenheimer	Leland	Robertson
Acciavatti	Emmons	Lemmons, III	Rocca
Adamini	Espinoza	Lemmons, Jr.	Sak
Amos	Farhat	Lipsey	Schuitmaker
Anderson	Farrah	Marleau	Shaffer
Angerer	Gaffney	Mayes	Sheen
Ball	Garfield	McConico	Sheltrown
Baxter	Gillard	McDowell	Smith, Alma
Bennett	Gleason	Meisner	Smith, Virgil
Bieda	Gonzales	Meyer	Spade
Booher	Green	Miller	Stahl
Brandenburg	Hansen	Moolenaar	Stakoe
Brown	Hildenbrand	Moore	Steil
Byrnes	Hood	Mortimer	Stewart
Byrum	Hoogendyk	Murphy	Taub
Casperson	Hopgood	Newell	Tobocman
Caswell	Hummel	Nitz	Vagnozzi
Caul	Hune	Nofs	Van Regenmorter
Cheeks	Hunter	Palmer	Vander Veen
Clack	Jones	Palsrok	Walker
Clemente	Kahn	Pastor	Ward
Condino	Kolb	Pavlov	Waters
Cushingberry	Kooiman	Pearce	Wenke
DeRoche	LaJoy	Plakas	Williams
Dillon	Law, David	Polidori	Wojno
Donigan	Law, Kathleen	Proos	Zelenko

Nays—2

Drolet	Gosselin

In The Chair: Kooiman

Rep. Ward moved that the bill be given immediate effect.

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

Senate Bill No. 1083, entitled

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2007; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

The Senate has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The Conference Report was read as follows:

First Conference Report

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

Senate Bill No. 1083, entitled

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2007; to provide for the

expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

Recommends:

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

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

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2007; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of community health for the fiscal year ending September 30, 2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF COMMUNITY HEALTH

APPROPRIATION SUMMARY:	
Full-time equated unclassified positions 6.0	
Full-time equated classified positions 4,658.1	
Average population 1,109.0	
GROSS APPROPRIATION	$ 11,196,157,400
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	37,286,100
ADJUSTED GROSS APPROPRIATION	$ 11,158,871,300
Federal revenues:	
Total federal revenues	6,042,584,700
Special revenue funds:	
Total local revenues	241,177,400
Total private revenue	63,826,900
Merit award trust fund	175,800,000
Total other state restricted revenues	1,695,399,600
State general fund/general purpose	$ 2,940,082,700

Sec. 102. DEPARTMENTWIDE ADMINISTRATION

Full-time equated unclassified positions 6.0	
Full-time equated classified positions 208.0	
Director and other unclassified—6.0 FTE positions	$ 581,500
Community health advisory council	7,000
Departmental administration and management—198.0 FTE positions	22,489,900
Worker's compensation program	10,600,000
Human resources optimization user charges	277,600
Rent and building occupancy	10,877,700
Developmental disabilities council and projects—10.0 FTE positions	2,724,000
GROSS APPROPRIATION	$ 47,557,700
Appropriated from:	
Federal revenues:	
Total federal revenues	11,694,000
Special revenue funds:	
Total private revenues	35,900
Total other state restricted revenues	3,488,400
State general fund/general purpose	$ 32,339,400

Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS

Full-time equated classified positions 113.0	
Mental health/substance abuse program administration—112.0 FTE positions	$ 12,507,600
Consumer involvement program	189,100
Gambling addiction—1.0 FTE position	3,500,000

	For Fiscal Year Ending Sept. 30, 2007
Protection and advocacy services support	777,400
Mental health initiatives for older persons	1,291,200
Community residential and support services	2,906,800
Highway safety projects	400,000
Federal and other special projects	1,902,200
Family support subsidy	19,036,000
Housing and support services	7,806,800
Methamphetamine cleanup fund	175,000
GROSS APPROPRIATION	$ 50,492,100
Appropriated from:	
Federal revenues:	
Total federal revenues	32,185,100
Special revenue funds:	
Total private revenues	190,000
Total other state restricted revenues	3,500,000
State general fund/general purpose	$ 14,617,000
Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS	
Full-time equated classified positions 9.5	
Medicaid mental health services	$ 1,797,294,900
Community mental health non-Medicaid services	317,772,300
Medicaid adult benefits waiver	40,000,000
Multicultural services	5,163,800
Medicaid substance abuse services	35,622,900
Respite services	1,000,000
CMHSP, purchase of state services contracts	128,681,500
Civil service charges	1,765,500
Federal mental health block grant—2.5 FTE positions	15,355,000
State disability assistance program substance abuse services	2,509,800
Community substance abuse prevention, education and treatment programs	85,919,100
Children's waiver home care program	19,549,800
Omnibus reconciliation act implementation—7.0 FTE positions	12,505,200
Children with serious emotional disturbance waiver	570,000
GROSS APPROPRIATION	$ 2,463,709,800
Appropriated from:	
Federal revenues:	
Total federal revenues	1,164,470,700
Special revenue funds:	
Total local revenues	26,072,100
Total other state restricted revenues	112,208,900
State general fund/general purpose	$ 1,160,958,100
Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES	
Total average population 1,109.0	
Full-time equated classified positions 2,900.3	
Caro regional mental health center - psychiatric hospital - adult—482.3 FTE positions	$ 41,511,600
Average population 179.0	
Kalamazoo psychiatric hospital - adult—466.6 FTE positions	40,392,200
Average population 186.0	
Walter P. Reuther psychiatric hospital - adult—437.3 FTE positions	40,549,700
Average population 236.0	
Hawthorn center - psychiatric hospital - children and adolescents—219.0 FTE positions	19,483,900
Average population 74.0	
Mount Pleasant center - developmental disabilities—472.7 FTE positions	42,954,900
Average population 209.0	

		For Fiscal Year Ending Sept. 30, 2007
Center for forensic psychiatry—493.0 FTE positions		49,408,800
Average population 225.0		
Forensic mental health services provided to the department of corrections—318.4 FTE positions		36,018,600
Revenue recapture		750,000
IDEA, federal special education		120,000
Special maintenance and equipment		335,300
Purchase of medical services for residents of hospitals and centers		2,045,600
Closed site, transition, and related costs—11.0 FTE positions		712,300
Severance pay		216,900
Gifts and bequests for patient living and treatment environment		1,000,000
GROSS APPROPRIATION	$	275,499,800
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from the department of corrections		36,018,600
Federal revenues:		
Total federal revenues		35,269,100
Special revenue funds:		
CMHSP, purchase of state services contracts		128,681,500
Other local revenues		15,548,400
Total private revenues		1,000,000
Total other state restricted revenues		10,229,300
State general fund/general purpose	$	48,752,900
Sec. 106. PUBLIC HEALTH ADMINISTRATION		
Full-time equated classified positions 86.4		
Public health administration—11.0 FTE positions	$	1,802,400
Minority health grants and contracts—3.0 FTE positions		1,592,500
Vital records and health statistics—72.4 FTE positions		7,658,400
GROSS APPROPRIATION	$	11,053,300
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from the department of human services		724,100
Federal revenues:		
Total federal revenues		2,854,000
Special revenue funds:		
Total other state restricted revenues		5,972,700
State general fund/general purpose	$	1,502,500
Sec. 107. HEALTH POLICY, REGULATION, AND PROFESSIONS		
Full-time equated classified positions 405.6		
Health systems administration—193.6 FTE positions	$	21,620,000
Emergency medical services program state staff—8.5 FTE positions		1,423,500
Radiological health administration—21.4 FTE positions		2,506,700
Substance abuse program administration—1.0 FTE position		64,400
Emergency medical services grants and services—7.0 FTE positions		588,900
Health professions—125.0 FTE positions		15,205,400
Health policy, regulation, and professions administration—29.7 FTE positions		5,366,800
Nurse scholarship, education, and research program—3.0 FTE positions		903,800
Certificate of need program administration—14.0 FTE positions		1,726,400
Rural health services—1.0 FTE position		1,390,500
Michigan essential health provider		1,847,100
Primary care services—1.4 FTE positions		2,265,500
GROSS APPROPRIATION	$	54,909,000
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from the department of treasury, Michigan state hospital finance authority		113,000
Federal revenues:		
Total federal revenues		22,559,600

		For Fiscal Year Ending Sept. 30, 2007
Special revenue funds:		
Total local revenues		227,700
Total private revenues		150,000
Total other state restricted revenues		24,150,900
State general fund/general purpose	$	7,707,800
Sec. 108. INFECTIOUS DISEASE CONTROL		
Full-time equated classified positions 49.0		
AIDS prevention, testing, and care programs—12.0 FTE positions	$	37,428,800
Immunization local agreements		13,990,300
Immunization program management and field support—15.0 FTE positions		1,930,700
Pediatric AIDS prevention and control		1,224,800
Sexually transmitted disease control local agreements		3,423,200
Sexually transmitted disease control management and field support—22.0 FTE positions		3,624,900
GROSS APPROPRIATION	$	61,622,700
Appropriated from:		
Federal revenues:		
Total federal revenues		40,921,800
Special revenue funds:		
Total private revenues		7,997,900
Total other state restricted revenues		8,575,800
State general fund/general purpose	$	4,127,200
Sec. 109. LABORATORY SERVICES		
Full-time equated classified positions 122.0		
Bovine tuberculosis—2.0 FTE positions	$	500,000
Laboratory services—120.0 FTE positions		15,543,700
GROSS APPROPRIATION	$	16,043,700
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from the department of environmental quality		430,400
Federal revenues:		
Total federal revenues		3,093,200
Special revenue funds:		
Total other state restricted revenues		5,420,200
State general fund/general purpose	$	7,099,900
Sec. 110. EPIDEMIOLOGY		
Full-time equated classified positions 134.5		
AIDS surveillance and prevention program	$	2,419,900
Asthma prevention and control—2.3 FTE positions		1,055,300
Bioterrorism preparedness—76.1 FTE positions		50,605,200
Epidemiology administration—41.1 FTE positions		6,640,100
Lead abatement program—7.0 FTE positions		2,143,400
Newborn screening follow-up and treatment services—8.0 FTE positions		3,862,300
Tuberculosis control and recalcitrant AIDS program		867,000
GROSS APPROPRIATION	$	67,593,200
Appropriated from:		
Federal revenues:		
Total federal revenues		61,099,500
Special revenue funds:		
Total private revenues		25,000
Total other state restricted revenues		4,307,600
State general fund/general purpose	$	2,161,100
Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS		
Implementation of 1993 PA 133, MCL 333.17015	$	100,000
Local health services		220,000
Local public health operations		40,618,400
Medical services cost reimbursement to local health departments		3,110,000
GROSS APPROPRIATION	$	44,048,400

		For Fiscal Year Ending Sept. 30, 2007
Appropriated from:		
Federal revenues:		
Total federal revenues		3,110,000
Special revenue funds:		
Total local revenues		5,150,000
Total other state restricted revenues		243,500
State general fund/general purpose	$	35,544,900
Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
Full-time equated classified positions	65.5	
African-American male health initiative	$	106,700
AIDS and risk reduction clearinghouse and media campaign		1,576,000
Alzheimer's information network		412,900
Cancer prevention and control program—15.3 FTE positions		15,145,400
Chronic disease prevention—10.0 FTE positions		4,416,900
Diabetes and kidney program—11.1 FTE positions		3,726,400
Health education, promotion, and research programs—9.3 FTE positions		770,000
Injury control intervention project—1.0 FTE position		100,900
Michigan Parkinson's foundation		50,000
Morris Hood Wayne State University diabetes outreach		400,000
Physical fitness, nutrition, and health		700,000
Public health traffic safety coordination—1.7 FTE positions		584,900
Smoking prevention program—15.1 FTE positions		5,632,400
Tobacco tax collection and enforcement		610,000
Violence prevention—2.0 FTE positions		1,896,900
GROSS APPROPRIATION	$	36,129,400
Appropriated from:		
Federal revenues:		
Total federal revenues		19,987,500
Special revenue funds:		
Total private revenues		85,000
Total other state restricted revenues		14,901,700
State general fund/general purpose	$	1,155,200
Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
Full-time equated classified positions	50.4	
Childhood lead program—6.8 FTE positions	$	2,536,100
Dental programs		485,400
Dental program for persons with developmental disabilities		151,000
Early childhood collaborative secondary prevention		524,000
Family, maternal, and children's health services administration—41.6 FTE positions		4,780,600
Family planning local agreements		12,270,300
Local MCH services		7,264,200
Migrant health care		272,200
Pregnancy prevention program		5,733,400
Prenatal care outreach and service delivery support		3,049,300
School health and education programs		500,000
Special projects—2.0 FTE positions		6,214,900
Sudden infant death syndrome program		321,300
GROSS APPROPRIATION	$	44,102,700
Appropriated from:		
Federal revenues:		
Total federal revenues		30,411,300
Special revenue funds:		
Total other state restricted revenues		8,664,000
State general fund/general purpose	$	5,027,400

	For Fiscal Year Ending Sept. 30, 2007
Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM	
Full-time equated classified positions.....41.0	
Women, infants, and children program administration and special projects—41.0 FTE positions	$ 6,681,000
Women, infants, and children program local agreements and food costs	179,272,000
GROSS APPROPRIATION	$ 185,953,000
Appropriated from:	
Federal revenues:	
Total federal revenues	132,714,900
Special revenue funds:	
Total private revenues	53,238,100
State general fund/general purpose	$ 0
Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES	
Full-time equated classified positions.....44.0	
Children's special health care services administration—44.0 FTE positions	$ 4,296,900
Amputee program	184,600
Bequests for care and services	1,889,100
Outreach and advocacy	3,773,500
Nonemergency medical transportation	1,289,100
Medical care and treatment	173,641,600
GROSS APPROPRIATION	$ 185,074,800
Appropriated from:	
Federal revenues:	
Total federal revenues	90,016,200
Special revenue funds:	
Total private revenues	1,000,000
Total other state restricted revenues	2,584,500
State general fund/general purpose	$ 91,474,100
Sec. 116. OFFICE OF DRUG CONTROL POLICY	
Full-time equated classified positions.....16.0	
Drug control policy—16.0 FTE positions	$ 2,104,600
Anti-drug abuse grants	16,105,400
Interdepartmental grant to judiciary for drug treatment courts	1,800,000
GROSS APPROPRIATION	$ 20,010,000
Appropriated from:	
Federal revenues:	
Total federal revenues	18,399,500
State general fund/general purpose	$ 1,610,500
Sec. 117. CRIME VICTIM SERVICES COMMISSION	
Full-time equated classified positions.....10.0	
Grants administration services—10.0 FTE positions	$ 1,087,500
Justice assistance grants	13,000,000
Crime victim rights services grants	10,800,000
GROSS APPROPRIATION	$ 24,887,500
Appropriated from:	
Federal revenues:	
Total federal revenues	14,770,300
Special revenue funds:	
Total other state restricted revenues	10,117,200
State general fund/general purpose	$ 0
Sec. 118. OFFICE OF SERVICES TO THE AGING	
Full-time equated classified positions.....36.5	
Commission (per diem $50.00)	$ 10,500
Office of services to aging administration—36.5 FTE positions	5,324,100
Community services	35,204,200
Nutrition services	37,290,500

		For Fiscal Year Ending Sept. 30, 2007
Foster grandparent volunteer program		2,813,500
Retired and senior volunteer program		790,200
Senior companion volunteer program		2,021,200
Employment assistance		2,818,300
Respite care program		7,600,000
GROSS APPROPRIATION	$	93,872,500
Appropriated from:		
Federal revenues:		
Total federal revenues		52,251,400
Special revenue funds:		
Total private revenues		105,000
Merit award trust fund		5,000,000
Total other state restricted revenues		2,767,000
State general fund/general purpose	$	33,749,100
Sec. 119. MICHIGAN FIRST HEALTHCARE PLAN		
Michigan first healthcare plan	$	100,000,000
GROSS APPROPRIATION	$	100,000,000
Appropriated from:		
Federal revenues:		
Total federal revenues		100,000,000
State general fund/general purpose	$	0
Sec. 120. MEDICAL SERVICES ADMINISTRATION		
Full-time equated classified positions 366.4		
Medical services administration—366.4 FTE positions	$	70,072,300
Facility inspection contract - state police		132,800
MIChild administration		4,327,800
Health information technology initiatives		9,500,000
GROSS APPROPRIATION	$	84,032,900
Appropriated from:		
Federal revenues:		
Total federal revenues		56,661,000
State general fund/general purpose	$	27,371,900
Sec. 121. MEDICAL SERVICES		
Hospital services and therapy	$	1,124,379,500
Hospital disproportionate share payments		50,000,000
Physician services		276,530,100
Medicare premium payments		311,929,600
Pharmaceutical services		56,828,700
Home health services		5,580,300
Hospice services		64,181,300
Transportation		9,765,200
Auxiliary medical services		5,621,300
Dental services		101,750,800
Ambulance services		11,376,000
Long-term care services		1,594,415,800
Medicaid home- and community-based services waiver		100,000,000
Adult home help services		221,924,000
Personal care services		25,509,700
Program of all-inclusive care for the elderly		11,200,000
Single point of entry		9,000,000
Health plan services		2,484,260,000
MIChild program		46,575,600
Medicaid adult benefits waiver		122,239,500
County indigent care and third share plans		88,518,500
Federal Medicare pharmaceutical program		177,800,000
Promotion of healthy behavior waiver		10,000,000
Maternal and child health		20,279,500

		For Fiscal Year Ending Sept. 30, 2007
Social services to the physically disabled		1,344,900
Subtotal basic medical services program		6,931,010,300
School-based services		76,235,400
Special Medicaid reimbursement		290,892,100
Subtotal special medical services payments		367,127,500
GROSS APPROPRIATION	$	7,298,137,800
Appropriated from:		
Federal revenues:		
Total federal revenues		4,130,819,100
Special revenue funds:		
Total local revenues		65,497,700
Merit award trust fund		170,800,000
Total other state restricted revenues		1,475,211,000
State general fund/general purpose	$	1,455,810,000
Sec. 122. INFORMATION TECHNOLOGY		
Information technology services and projects	$	31,427,000
Michigan Medicaid information system		100
GROSS APPROPRIATION	$	31,427,100
Appropriated from:		
Federal revenues:		
Total federal revenues		19,296,500
Special revenue funds:		
Total other state restricted revenues		3,056,900
State general fund/general purpose	$	9,073,700

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is $4,811,282,300.00 and state spending from state resources to be paid to units of local government for fiscal year 2006-2007 is $1,317,715,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF COMMUNITY HEALTH		
MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS		
Community residential and support services	$	387,300
Housing and support services		695,500
Methamphetamine cleanup fund		175,000
Mental health initiatives for older persons		1,049,200
COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS		
State disability assistance program substance abuse services	$	2,509,800
Community substance abuse prevention, education, and treatment programs		19,190,500
Medicaid mental health services		757,907,600
Community mental health non-Medicaid services		317,772,300
Medicaid adult benefits waiver		12,212,000
Multicultural services		5,163,800
Medicaid substance abuse services		15,538,700
Respite services		1,000,000
Children's waiver home care program		2,387,800
Omnibus budget reconciliation act implementation		2,897,400
STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES		
Center for forensic psychiatry	$	290,300
PUBLIC HEALTH ADMINISTRATION		
Minority health grants and contracts	$	100,000
Public health administration		76,000
HEALTH POLICY, REGULATION AND PROFESSIONS		
Health professions	$	99,700
Primary care services		341,900

INFECTIOUS DISEASE CONTROL		
AIDS prevention, testing and care programs	$	742,200
Immunization local agreements		2,132,000
Sexually transmitted disease control local agreements		430,900
LABORATORY SERVICES		
Laboratory services	$	55,400
LOCAL HEALTH ADMINISTRATION AND GRANTS		
Implementation of 1993 PA 133	$	7,700
Local public health operations		35,468,400
CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
Cancer prevention and control program	$	137,300
Diabetes and kidney program		370,600
Smoking prevention program		1,014,500
FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
Childhood lead program	$	136,500
Dental programs		25,000
Family planning local agreements		360,000
Local MCH services		322,200
Pregnancy prevention program		2,300,000
Prenatal care outreach and service delivery support		650,100
School health and education programs		500,000
Special projects		378,900
CHILDREN'S SPECIAL HEALTH CARE SERVICES		
Medical care and treatment	$	528,800
Outreach and advocacy		1,283,200
MEDICAL SERVICES		
Long-term care services	$	81,711,500
Transportation		1,401,300
Medicaid adult benefits waiver		9,573,500
OFFICE OF SERVICES TO THE AGING		
Community services	$	15,054,300
Nutrition services		11,447,300
Foster grandparent volunteer program		791,700
Retired and senior volunteer program		181,300
Senior companion volunteer program		241,400
Respite care program		4,227,400
CRIME VICTIM SERVICES COMMISSION		
Crime victim rights services grants	$	6,446,800
TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT	$	1,317,715,000

Sec. 202. (1) The appropriations authorized under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(2) Funds for which the state is acting as the custodian or agent are not subject to annual appropriation.

Sec. 203. As used in this act:

(a) "AIDS" means acquired immunodeficiency syndrome.

(b) "CMHSP" means a community mental health services program as that term is defined in section 100a of the mental health code, 1974 PA 258, MCL 330.1100a.

(c) "Department" means the Michigan department of community health.

(d) "DSH" means disproportionate share hospital.

(e) "EPSDT" means early and periodic screening, diagnosis, and treatment.

(f) "FTE" means full-time equated.

(g) "GME" means graduate medical education.

(h) "Health plan" means, at a minimum, an organization that meets the criteria for delivering the comprehensive package of services under the department's comprehensive health plan.

(i) "HIV/AIDS" means human immunodeficiency virus/acquired immune deficiency syndrome.

(j) "HMO" means health maintenance organization.

(k) "IDEA" means individuals with disabilities education act.

(*l*) "IDG" means interdepartmental grant.

(m) "MCH" means maternal and child health.

(n) "MIChild" means the program described in section 1670.

(o) "MSS/ISS" means maternal and infant support services.

(p) "Specialty prepaid health plan" means a program described in section 232b of the mental health code, 1974 PA 258, MCL 330.1232b.

(q) "Title XVIII" means title XVIII of the social security act, 42 USC 1395 to 1395hhh.

(r) "Title XIX" means title XIX of the social security act, 42 USC 1396 to 1396v.

(s) "Title XX" means title XX of the social security act, 49 USC 1397 to 1397f.

(t) "WIC" means women, infants, and children supplemental nutrition program.

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

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

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

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on the Internet or Intranet site.

Sec. 209. (1) Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available.

(2) Funds appropriated in part 1 shall not be used for the purchase of out-of-state goods or services, or both, if competitively priced and comparable quality Michigan goods or services, or both, are available.

Sec. 210. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 211. If the revenue collected by the department from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward with the approval of the state budget director into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 212. (1) From the amounts appropriated in part 1, no greater than the following amounts are supported with federal maternal and child health block grant, preventive health and health services block grant, substance abuse block grant, healthy Michigan fund, and Michigan health initiative funds:

(a) Maternal and child health block grant	$	21,162,400
(b) Preventive health and health services block grant		4,534,000
(c) Substance abuse block grant		60,496,600
(d) Healthy Michigan fund		43,551,000
(e) Michigan health initiative		10,335,900

(2) On or before February 1, 2007, the department shall report to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on the detailed name and amounts of federal, restricted, private, and local sources of revenue that support the appropriations in each of the line items in part 1 of this act.

(3) Upon the release of the fiscal year 2007-2008 executive budget recommendation, the department shall report to the same parties in subsection (2) on the amounts and detailed sources of federal, restricted, private, and local revenue proposed to support the total funds appropriated in each of the line items in part 1 of the fiscal year 2007-2008 executive budget proposal.

(4) The department shall provide to the same parties in subsection (2) all revenue source detail for consolidated revenue line item detail upon request to the department.

Sec. 213. The state departments, agencies, and commissions receiving tobacco tax funds from part 1 shall report by April 1, 2007, to the senate and house of representatives appropriations committees, the senate and house fiscal agencies, and the state budget director on the following:

(a) Detailed spending plan by appropriation line item including description of programs.

(b) Description of allocations or bid processes including need or demand indicators used to determine allocations.

(c) Eligibility criteria for program participation and maximum benefit levels where applicable.

(d) Outcome measures to be used to evaluate programs.

(e) Any other information considered necessary by the house of representatives or senate appropriations committees or the state budget director.

Sec. 214. The use of state-restricted tobacco tax revenue received for the purpose of tobacco prevention, education, and reduction efforts and deposited in the healthy Michigan fund shall not be used for lobbying as defined in 1978 PA 472, MCL 4.411 to 4.431, and shall not be used in attempting to influence the decisions of the legislature, the governor, or any state agency.

Sec. 216. (1) In addition to funds appropriated in part 1 for all programs and services, there is appropriated for write-offs of accounts receivable, deferrals, and for prior year obligations in excess of applicable prior year appropriations, an amount equal to total write-offs and prior year obligations, but not to exceed amounts available in prior year revenues.

(2) The department's ability to satisfy appropriation deductions in part 1 shall not be limited to collections and accruals pertaining to services provided in the current fiscal year, but shall also include reimbursements, refunds, adjustments, and settlements from prior years.

(3) The department shall report by March 15, 2007 to the house of representatives and senate appropriations subcommittees on community health on all reimbursements, refunds, adjustments, and settlements from prior years.

Sec. 218. Basic health services for the purpose of part 23 of the public health code, 1978 PA 368, MCL 333.2301 to 333.2321, are: immunizations, communicable disease control, sexually transmitted disease control, tuberculosis control, prevention of gonorrhea eye infection in newborns, screening newborns for the 8 conditions listed in section 5431(1)(a) through (h) of the public health code, 1978 PA 368, MCL 333.5431, community health annex of the Michigan emergency management plan, and prenatal care.

Sec. 219. (1) The department may contract with the Michigan public health institute for the design and implementation of projects and for other public health related activities prescribed in section 2611 of the public health code, 1978 PA 368, MCL 333.2611. The department may develop a master agreement with the institute to carry out these purposes for up to a 3-year period. The department shall report to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on or before November 1, 2006 and May 1, 2007 all of the following:

(a) A detailed description of each funded project.

(b) The amount allocated for each project, the appropriation line item from which the allocation is funded, and the source of financing for each project.

(c) The expected project duration.

(d) A detailed spending plan for each project, including a list of all subgrantees and the amount allocated to each subgrantee.

(2) If a report required under subsection (1) is not received by the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on or before the date specified for that report, the disbursement of funds to the Michigan public health institute under this section shall stop. The disbursement of those funds shall recommence when the overdue report is received.

(3) On or before September 30, 2007, the department shall provide to the same parties listed in subsection (1) a copy of all reports, studies, and publications produced by the Michigan public health institute, its subcontractors, or the department with the funds appropriated in part 1 and allocated to the Michigan public health institute.

Sec. 220. All contracts with the Michigan public health institute funded with appropriations in part 1 shall include a requirement that the Michigan public health institute submit to financial and performance audits by the state auditor general of projects funded with state appropriations.

Sec. 223. The department of community health may establish and collect fees for publications, videos and related materials, conferences, and workshops. Collected fees shall be used to offset expenditures to pay for printing and mailing costs of the publications, videos and related materials, and costs of the workshops and conferences. The costs shall not exceed fees collected.

Sec. 259. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the departments and agencies and the department of information technology.

Sec. 260. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 261. Funds appropriated in part 1 for the Medicaid management information system upgrade are contingent upon approval of an advanced planning document from the centers for Medicare and Medicaid services. If the necessary matching funds are identified and legislatively transferred to this line item, the corresponding federal Medicaid revenue shall be appropriated at a 90/10 federal/state match rate. This appropriation may be designated as a work project and carried forward to support completion of this project.

Sec. 264. Upon submission of a Medicaid waiver, a Medicaid state plan amendment, or a similar proposal to the centers for Medicare and Medicaid services, the department shall notify the house of representatives and senate appropriations subcommittees on community health and the house and senate fiscal agencies of the submission.

Sec. 265. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed.

Sec. 266. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2007 shall be limited to situations in which 1 or more of the following conditions apply:

(a) The travel is required by legal mandate or court order or for law enforcement purposes.

(b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.

(c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.

(d) The travel is necessary to comply with federal requirements.

(e) The travel is necessary to secure specialized training for staff that is not available within this state.

(f) The travel is financed entirely by federal or nonstate funds.

(2) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the house of representatives and senate standing committees on appropriations.

(3) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the chairs and members of the house of representatives and senate standing committees on appropriations, the fiscal agencies, and the state budget director. The report shall include the following information:

(a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

(d) A brief statement of the reason for each travel occurrence.

(e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

(f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 267. A department or state agency shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 269. (1) Of the amount appropriated in part 1 for Medicaid mental health services, $149,136,400.00 is for prepaid inpatient health plan reimbursement of antipsychotic prescriptions under the Medicaid program. All of the following conditions shall apply to this arrangement:

(a) The department shall develop uniform statewide procedures and practices to be followed by the prepaid inpatient health plans. These procedures and practices shall adhere to the requirements of section 1625 and section 109h of the social welfare act, 1939 PA 280, MCL 400.109h.

(b) The department shall include the actual cost of antipsychotic prescriptions, net of actual rebates, into the actuarially sound capitation rates for the prepaid inpatient health plans.

(c) The department shall develop and implement training for prepaid inpatient health programs regarding billing processes required for reimbursement under this section.

(2) Of the amount appropriated in part 1 for health plan services, $86,674,300.00 is for Medicaid health plan reimbursement of antidepressant prescriptions under the Medicaid program. All of the following conditions shall apply to this arrangement:

(a) The department shall develop uniform statewide procedures and practices to be followed by the Medicaid health plans. These procedures shall adhere to the requirements of section 1625 and all provisions of the department's fiscal year 2005-2006 contract with Medicaid health plans.

(b) The department shall include the actual cost of antidepressant prescriptions, net of actual rebates, into the actuarially sound capitation rates for the Medicaid health plans.

(3) Medicaid reimbursement of mental health prescriptions that are neither antipsychotics nor antidepressants shall be made from the medical services pharmaceutical services line in part 1. The department shall utilize the same operational procedures for these medications that were followed in fiscal year 2005-2006 and shall adhere to the requirements of section 109h of the social welfare act, 1939 PA 280, MCL 400.109h.

(4) The directors of the medical services administration and the department's mental health and substance abuse administration shall provide a joint quarterly report to the house of representatives, senate, and the senate and house fiscal agencies on the coordination of psychotropic medications under this section.

Sec. 270. Within 30 days after receipt of the notification from the attorney general's office of a legal action in which expenses had been recovered pursuant to section 106(4) of the social welfare act, 1939 PA 280, MCL 400.106, or any other statute under which the department has the right to recover expenses, the department shall submit a written report to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office which includes, at a minimum, all of the following:

(a) The total amount recovered from the legal action.

(b) The program or service for which the money was originally expended.

(c) Details on the disposition of the funds recovered such as the appropriation or revenue account in which the money was deposited.

(d) A description of the facts involved in the legal action.

DEPARTMENTWIDE ADMINISTRATION

Sec. 301. From funds appropriated for worker's compensation, the department may make payments in lieu of worker's compensation payments for wage and salary and related fringe benefits for employees who return to work under limited duty assignments.

Sec. 303. The department is prohibited from requiring first-party payment from individuals or families with a taxable income of $10,000.00 or less for mental health services for determinations made in accordance with section 818 of the mental health code, 1974 PA 258, MCL 330.1818.

MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS

Sec. 350. The department may enter into a contract with the protection and advocacy service, authorized under section 931 of the mental health code, 1974 PA 258, MCL 330.1931, or a similar organization to provide legal services for purposes of gaining and maintaining occupancy in a community living arrangement which is under lease or contract with the department or a community mental health services program to provide services to persons with mental illness or developmental disability.

Sec. 351. From the funds appropriated in part 1 for the methamphetamine cleanup fund, the department shall allow local governments to apply for money to cover their administrative costs associated with methamphetamine cleanup efforts. The funds allocated to local governments for the administrative costs associated with methamphetamine cleanup efforts shall not exceed $800.00 per property.

COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

Sec. 401. Funds appropriated in part 1 are intended to support a system of comprehensive community mental health services under the full authority and responsibility of local CMHSPs or specialty prepaid health plans. The department shall ensure that each CMHSP or specialty prepaid health plan provides all of the following:

(a) A system of single entry and single exit.

(b) A complete array of mental health services which shall include, but shall not be limited to, all of the following services: residential and other individualized living arrangements, outpatient services, acute inpatient services, and long-term, 24-hour inpatient care in a structured, secure environment.

(c) The coordination of inpatient and outpatient hospital services through agreements with state-operated psychiatric hospitals, units, and centers in facilities owned or leased by the state, and privately-owned hospitals, units, and centers licensed by the state pursuant to sections 134 through 149b of the mental health code, 1974 PA 258, MCL 330.1134 to 330.1149b.

(d) Individualized plans of service that are sufficient to meet the needs of individuals, including those discharged from psychiatric hospitals or centers, and that ensure the full range of recipient needs is addressed through the CMHSP's or specialty prepaid health plan's program or through assistance with locating and obtaining services to meet these needs.

(e) A system of case management to monitor and ensure the provision of services consistent with the individualized plan of services or supports.

(f) A system of continuous quality improvement.

(g) A system to monitor and evaluate the mental health services provided.

(h) A system that serves at-risk and delinquent youth as required under the provisions of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106.

Sec. 402. (1) From funds appropriated in part 1, final authorizations to CMHSPs or specialty prepaid health plans shall be made upon the execution of contracts between the department and CMHSPs or specialty prepaid health plans. The contracts shall contain an approved plan and budget as well as policies and procedures governing the obligations and responsibilities of both parties to the contracts. Each contract with a CMHSP or specialty prepaid health plan that the department is authorized to enter into under this subsection shall include a provision that the contract is not valid unless the total dollar obligation for all of the contracts between the department and the CMHSPs or specialty prepaid health plans entered into under this subsection for fiscal year 2006-2007 does not exceed the amount of money appropriated in part 1 for the contracts authorized under this subsection.

(2) The department shall immediately report to the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director if either of the following occurs:

(a) Any new contracts with CMHSPs or specialty prepaid health plans that would affect rates or expenditures are enacted.

(b) Any amendments to contracts with CMHSPs or specialty prepaid health plans that would affect rates or expenditures are enacted.

(3) The report required by subsection (2) shall include information about the changes and their effects on rates and expenditures.

Sec. 403. From the funds appropriated in part 1 for multicultural services, the department shall ensure that CMHSPs or specialty prepaid health plans meet with multicultural service providers to develop a workable framework for contracting, service delivery, and reimbursement.

Sec. 404. (1) Not later than May 31 of each fiscal year, the department shall provide a report on the community mental health services programs to the members of the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director that includes the information required by this section.

(2) The report shall contain information for each CMHSP or specialty prepaid health plan and a statewide summary, each of which shall include at least the following information:

(a) A demographic description of service recipients which, minimally, shall include reimbursement eligibility, client population, age, ethnicity, housing arrangements, and diagnosis.

(b) Per capita expenditures by client population group.

(c) Financial information which, minimally, shall include a description of funding authorized; expenditures by client group and fund source; and cost information by service category, including administration. Service category shall include all department approved services.

(d) Data describing service outcomes which shall include, but not be limited to, an evaluation of consumer satisfaction, consumer choice, and quality of life concerns including, but not limited to, housing and employment.

(e) Information about access to community mental health services programs which shall include, but not be limited to, the following:

(*i*) The number of people receiving requested services.

(*ii*) The number of people who requested services but did not receive services.

(f) The number of second opinions requested under the code and the determination of any appeals.

(g) An analysis of information provided by community mental health service programs in response to the needs assessment requirements of the mental health code, including information about the number of persons in the service delivery system who have requested and are clinically appropriate for different services.

(h) Lapses and carryforwards during fiscal year 2005-2006 for CMHSPs or specialty prepaid health plans.

(i) Contracts for mental health services entered into by CMHSPs or specialty prepaid health plans with providers, including amount and rates, organized by type of service provided.

(j) Information on the community mental health Medicaid managed care program, including, but not limited to, both of the following:

(*i*) Expenditures by each CMHSP or specialty prepaid health plan organized by Medicaid eligibility group, including per eligible individual expenditure averages.

(*ii*) Performance indicator information required to be submitted to the department in the contracts with CMHSPs or specialty prepaid health plans.

(3) The department shall include data reporting requirements listed in subsection (2) in the annual contract with each individual CMHSP or specialty prepaid health plan.

(4) The department shall take all reasonable actions to ensure that the data required are complete and consistent among all CMHSPs or specialty prepaid health plans.

Sec. 405. (1) It is the intent of the legislature that the employee wage pass-through funded in previous years to the community mental health services programs for direct care workers in local residential settings and for paraprofessional and other nonprofessional direct care workers in settings where skill building, community living supports and training, and personal care services are provided shall continue to be paid to direct care workers.

(2) From the funds appropriated in part 1 for Medicaid mental health services, money shall be utilized to establish a pool of funds available to community mental health services programs, sufficient to provide for increasing the wages and the employer's share of federal insurance contributions act costs of direct care staff by 2% per direct care worker in local residential settings and for paraprofessional and other nonprofessional direct care workers in settings where skill building, community living supports and training, and personal care services are provided, effective October 1, 2006.

(3) Each CMHSP shall make application to the department to receive funds for the direct care worker wage pass-through fund, not to exceed their proportionate share of the money allocated for this purpose. The application shall specify the amount of funds requested and the agencies/programs to receive the wage pass-through funds requested.

(4) Each CMHSP awarded wage pass-through funds shall report on the actual expenditures of such funds in the format to be determined by the department. Any funds not utilized by the CMHSP for the purpose specified in the wage pass-through application shall be deducted from the base allocation to the CMHSP in the subsequent fiscal year.

Sec. 406. (1) The funds appropriated in part 1 for the state disability assistance substance abuse services program shall be used to support per diem room and board payments in substance abuse residential facilities. Eligibility of clients for the state disability assistance substance abuse services program shall include needy persons 18 years of age or older, or emancipated minors, who reside in a substance abuse treatment center.

(2) The department shall reimburse all licensed substance abuse programs eligible to participate in the program at a rate equivalent to that paid by the department of human services to adult foster care providers. Programs accredited by department-approved accrediting organizations shall be reimbursed at the personal care rate, while all other eligible programs shall be reimbursed at the domiciliary care rate.

Sec. 407. (1) The amount appropriated in part 1 for substance abuse prevention, education, and treatment grants shall be expended for contracting with coordinating agencies. Coordinating agencies shall work with the CMHSPs or specialty prepaid health plans to coordinate the care and services provided to individuals with both mental illness and substance abuse diagnoses.

(2) The department shall approve a fee schedule for providing substance abuse services and charge participants in accordance with their ability to pay.

Sec. 408. (1) By April 15, 2007, the department shall report the following data from fiscal year 2005-2006 on substance abuse prevention, education, and treatment programs to the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget office:

(a) Expenditures stratified by coordinating agency, by central diagnosis and referral agency, by fund source, by subcontractor, by population served, and by service type. Additionally, data on administrative expenditures by coordinating agency and by subcontractor shall be reported.

(b) Expenditures per state client, with data on the distribution of expenditures reported using a histogram approach.

(c) Number of services provided by central diagnosis and referral agency, by subcontractor, and by service type. Additionally, data on length of stay, referral source, and participation in other state programs.

(d) Collections from other first- or third-party payers, private donations, or other state or local programs, by coordinating agency, by subcontractor, by population served, and by service type.

(2) The department shall take all reasonable actions to ensure that the required data reported are complete and consistent among all coordinating agencies.

Sec. 409. The funding in part 1 for substance abuse services shall be distributed in a manner that provides priority to service providers that furnish child care services to clients with children.

Sec. 410. The department shall assure that substance abuse treatment is provided to applicants and recipients of public assistance through the department of human services who are required to obtain substance abuse treatment as a condition of eligibility for public assistance.

Sec. 411. (1) The department shall ensure that each contract with a CMHSP or specialty prepaid health plan requires the CMHSP or specialty prepaid health plan to implement programs to encourage diversion of persons with serious mental illness, serious emotional disturbance, or developmental disability from possible jail incarceration when appropriate.

(2) Each CMHSP or specialty prepaid health plan shall have jail diversion services and shall work toward establishing working relationships with representative staff of local law enforcement agencies, including county prosecutors' offices, county sheriffs' offices, county jails, municipal police agencies, municipal detention facilities, and the courts. Written interagency agreements describing what services each participating agency is prepared to commit to the local jail diversion effort and the procedures to be used by local law enforcement agencies to access mental health jail diversion services are strongly encouraged.

Sec. 412. The department shall contract directly with the Salvation Army harbor light program to provide non-Medicaid substance abuse services at not less than the amount contracted for in fiscal year 2004-2005.

Sec. 414. Medicaid substance abuse treatment services shall be managed by selected CMHSPs or specialty prepaid health plans pursuant to the centers for Medicare and Medicaid services' approval of Michigan's 1915(b) waiver request to implement a managed care plan for specialized substance abuse services. The selected CMHSPs or specialty prepaid health plans shall receive a capitated payment on a per eligible per month basis to assure provision of medically necessary substance abuse services to all beneficiaries who require those services. The selected CMHSPs or specialty prepaid health plans shall be responsible for the reimbursement of claims for specialized substance abuse services. The CMHSPs or specialty prepaid health plans that are not coordinating agencies may continue to contract with a coordinating agency. Any alternative arrangement must be based on client service needs and have prior approval from the department.

Sec. 418. On or before the tenth of each month, the department shall report to the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the amount of funding paid to the CMHSPs or specialty prepaid health plans to support the Medicaid managed mental health care program in that month. The information shall include the total paid to each CMHSP or specialty prepaid health plan, per capita rate paid for each eligibility group for each CMHSP or specialty prepaid health plan, and number of cases in each eligibility group for each CMHSP or specialty prepaid health plan, and year-to-date summary of eligibles and expenditures for the Medicaid managed mental health care program.

Sec. 423. (1) The department shall work cooperatively with the departments of human services, corrections, education, state police, and military and veterans affairs to coordinate and improve the delivery of substance abuse prevention, education, and treatment programs within existing appropriations.

(2) The department shall establish a work group composed of representatives of the department, the departments of human services, corrections, education, state police, and military and veterans affairs, coordinating agencies, CMHSPs, and any other persons considered appropriate to examine and review the source and expenditure of funds for substance abuse programs and services. The work group shall develop and recommend cost-effective measures for the expenditure of funds and delivery of substance abuse programs and services. The department shall submit the findings of the work group to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director by May 31, 2007.

Sec. 424. Each community mental health services program or specialty prepaid health plan that contracts with the department to provide services to the Medicaid population shall adhere to the following timely claims processing and payment procedure for claims submitted by health professionals and facilities:

(a) A "clean claim" as described in section 111i of the social welfare act, 1939 PA 280, MCL 400.111i, must be paid within 45 days after receipt of the claim by the community mental health services program or specialty prepaid health plan. A clean claim that is not paid within this time frame shall bear simple interest at a rate of 12% per annum.

(b) A community mental health services program or specialty prepaid health plan must state in writing to the health professional or facility any defect in the claim within 30 days after receipt of the claim.

(c) A health professional and a health facility have 30 days after receipt of a notice that a claim or a portion of a claim is defective within which to correct the defect. The community mental health services program or specialty prepaid health plan shall pay the claim within 30 days after the defect is corrected.

Sec. 425. By April 1, 2007, the department, in conjunction with the department of corrections, shall report the following data from fiscal year 2005-2006 on mental health and substance abuse services to the house of representatives and senate appropriations subcommittees on community health and corrections, the house and senate fiscal agencies, and the state budget office:

(a) The number of prisoners receiving substance abuse services, which shall include a description and breakdown of the type of substance abuse services provided to prisoners.

(b) The number of prisoners with a primary diagnosis of mental illness and the number of such prisoners receiving mental health services, which shall include a description and breakdown, minimally encompassing the categories of inpatient, residential, and outpatient care, of the type of mental health services provided to those prisoners.

(c) The number of prisoners with a primary diagnosis of mental illness and receiving substance abuse services, which shall include a description and breakdown, minimally encompassing the categories of inpatient, residential, and outpatient care, of the type of treatment provided to those prisoners.

(d) Data indicating if prisoners receiving mental health services for a primary diagnosis of mental illness were previously hospitalized in a state psychiatric hospital for persons with mental illness.

(e) Data indicating if prisoners with a primary diagnosis of mental illness and receiving substance abuse services were previously hospitalized in a state psychiatric hospital for persons with mental illness.

Sec. 428. (1) Each CMHSP and affiliation of CMHSPs shall provide, from internal resources, local funds to be used as a bona fide part of the state match required under the Medicaid program in order to increase capitation rates for CMHSPs and affiliations of CMHSPs. These funds shall not include either state funds received by a CMHSP for services provided to non-Medicaid recipients or the state matching portion of the Medicaid capitation payments made to a CMHSP or an affiliation of CMHSPs.

(2) The distribution of the aforementioned increases in the capitation payment rates, if any, shall be based on a formula developed by a committee established by the department, including representatives from CMHSPs or affiliations of CMHSPs and department staff.

Sec. 435. A county required under the provisions of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide matching funds to a CMHSP for mental health services rendered to residents in its jurisdiction shall pay the matching funds in equal installments on not less than a quarterly basis throughout the fiscal year, with the first payment being made by October 1, 2006.

Sec. 442. (1) It is the intent of the legislature that the $40,000,000.00 in funding transferred from the community mental health non-Medicaid services line to support the Medicaid adult benefits waiver program be used to provide state match for increases in federal funding for primary care and specialty services provided to Medicaid adult benefits waiver enrollees and for economic increases for the Medicaid specialty services and supports program.

(2) The department shall assure that persons enrolled in the Medicaid adult benefits waiver program shall receive mental health services under the priority population sections of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106.

(3) Capitation payments to CMHSPs or specialty prepaid health plans for persons who become enrolled in the Medicaid adult benefits waiver program shall be made using the same rate methodology as payments for the current Medicaid beneficiaries.

(4) If enrollment in the Medicaid adult benefits waiver program does not achieve expectations and the funding appropriated for the Medicaid adult benefits waiver program for specialty services is not expended, the general fund balance shall be transferred back to the community mental health non-Medicaid services line. The department shall report quarterly to the senate and house of representatives appropriations subcommittees on community health a summary of eligible expenditures for the Medicaid adult benefits waiver program by CMHSPs or specialty prepaid health plans.

Sec. 450. (1) No later than October 1, 2006, the department shall implement the recommendations of the work group composed of CMHSPs or specialty prepaid health plans and departmental staff on streamlining the audit and reporting requirements for CMHSPs or specialty prepaid health plans and contractors performing services for CMHSPs or specialty prepaid health plans.

(2) No later than March 31, 2007, the department shall submit a report to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office on steps taken to implement the recommendations of the work group and the progress of the implementation of the recommendations of the work group.

Sec. 452. Unless otherwise authorized by law, the department shall not implement retroactively any policy that would lead to a negative financial impact on community mental health services programs or prepaid inpatient health plans.

Sec. 456. (1) CMHSPs and prepaid inpatient health plans shall honor consumer choice to the fullest extent possible when providing services and support programs for individuals with mental illness, developmental disabilities, or substance abuse issues. Consumer choices shall include skill building assistance, rehabilitative and habilitative services, supported and integrated employment services program settings, and other work preparatory services provided in the community or by accredited community based rehabilitation organizations. CMHSPs and prepaid inpatient health plans shall not arbitrarily eliminate or restrict any choices from the array of services and program settings available to consumers without reasonable justification that those services are not in the consumer's best interest.

(2) CMHSPs and prepaid inpatient health plans shall take all necessary steps to ensure that individuals with mental illness, developmental disabilities, or substance abuse issues be placed in the least restrictive setting in the quickest amount of time possible if it is the individual's choice.

Sec. 458. By April 15, 2007, the department shall provide each of the following to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director:

(a) An updated plan for implementing recommendations of the Michigan mental health commission made in the commission's report dated October 15, 2004.

(b) A report that evaluates the cost-benefit of establishing secure residential facilities of fewer than 17 beds for adults with serious mental illness, modeled after such programming in Oregon or other states.

(c) In conjunction with the state court administrator's office, a report that evaluates the cost-benefit of establishing a specialized mental health court program that diverts adults with serious mental illness alleged to have committed an offense deemed nonserious into treatment prior to the filing of any charges.

Sec. 459. (1) Any CMHSP located in a county with a population of more than 1,500,000 that is not a community mental health authority pursuant to section 205 of the mental health code, 1974 PA 258, MCL 330.1205, by December 1, 2006 shall have its fiscal year 2006-2007 community mental health non-Medicaid services allotment reduced by $3,500,000.00 each month for the remainder of the fiscal year until that CMHSP becomes an authority.

(2) The reduction in funding to any CMHSP specified in subsection (1) shall not result in any reduction of direct services.

(3) Any county specified in subsection (1) and subject to a funding reduction shall submit a plan to the department regarding these reductions by February 1, 2007. The department shall be responsible for reviewing and approving the plan to ensure that it meets the state legislative letter and intent. The department shall report by March 1, 2007 to the senate and house of representatives appropriations subcommittees on community health, the senate and house of representatives standing committees on health policy, the senate and house fiscal agencies, and the state budget office the department's disposition of the plan and shall provide evidence that the approved plan meets the legislative letter and intent.

(4) If any CMHSP subject to the funding reduction outlined in subsection (1) becomes an authority by September 30, 2007, any reduction in its community mental health non-Medicaid services allotment specified in subsection (1) shall be restored.

Sec. 460. (1) The uniform definitions, standards, and instructions for the classification, allocation, assignment, calculation, recording, and reporting of administrative costs by prepaid inpatient health plans (PHPs), CMHSPs, and contracted organized provider systems that receive payment or reimbursement from funds appropriated under section 104 of part 1 that are established by the department shall go into effect on October 1, 2006 and shall be fully implemented by September 30, 2007.

(2) No later than October 30, 2006, the department shall provide a copy of the uniform definitions, standards, and instructions to the house of representatives and senate appropriations subcommittees on community health, the house of representatives and senate fiscal agencies, and the state budget director.

(3) The department shall provide the house of representatives and senate appropriations subcommittees on community health, the house of representatives and senate fiscal agencies, and the state budget director with 2 separate progress reports on the implementation required under subsection (1). The progress reports are due on April 1, 2007 and July 1, 2007.

Sec. 462. The department shall establish a work group comprised of representatives of the department, CMHSPs, legislature, and any other persons considered appropriate to develop a plan to achieve funding equity for all CMHSPs that receive funds appropriated under the community mental health non-Medicaid services line. The funding equity plan shall establish, at a minimum, a payment schedule or scale to ensure that each CMHSP is paid or reimbursed equally based on the recipient's diagnosis or individual plan of service sufficient to meet his or her needs, or both. The department shall submit the written plan to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director by May 31, 2007.

Sec. 463. The department shall establish standard program evaluation measures to assess the overall effectiveness of programs provided through coordinating agencies and service providers in reducing and preventing the incidence of substance abuse. The measures established by the department shall be modeled after the program outcome measures and best practice guidelines for the treatment of substance abuse as proposed by the federal substance abuse and mental health services administration.

Sec. 464. It is the intent of the legislature that revenue received by the department from liquor license fees be expended exclusively to fund programs for the prevention, rehabilitation, care, and treatment of alcoholics pursuant to sections 543(1) and 1115(2) of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1543 and 436.2115.

Sec. 465. Funds appropriated in part 1 for respite services shall be used for direct respite care services for children with serious emotional disturbances and their families. Not more than 1% of the funds allocated for respite services shall be expended by CMHSPs for administration and administrative purposes.

Sec. 467. If funds become available, the department shall increase funding paid from the community substance abuse prevention, education, and treatment programs line item to the substance abuse coordinating agencies to the level of funding provided in fiscal year 2002-2003.

Sec. 468. To foster a more efficient administration of and to integrate care in publicly funded mental health and substance abuse services, the department shall recommend changes in its criteria for the incorporation of a city, county, or regional substance abuse coordinating agency into a local community mental health authority that will encourage those city, county, or regional coordinating agencies to incorporate as local community mental health authorities. If necessary, the department may make accommodations or adjustments in formula distribution to address administrative costs related to the recommended changes to the criteria made in accordance with this section and to the incorporation of the additional coordinating agencies into local community mental health authorities provided that all of the following are satisfied:

(a) The department provides funding for the administrative costs incurred by coordinating agencies incorporating into community mental health authorities. The department shall not provide more than $75,000.00 to any coordinating agency for administrative costs.

(b) The accommodations or adjustments do not favor coordinating agencies who voluntarily elect to integrate with local community mental health authorities.

(c) The accommodations or adjustments do not negatively affect other coordinating agencies.

Sec. 470. (1) For those substance abuse coordinating agencies that have voluntarily incorporated into community mental health authorities and accepted funding from the department for administrative costs incurred pursuant to section 468 of this act, the department shall establish written expectations for those community mental health services programs, prepaid inpatient health plans, and substance abuse coordinating agencies and counties with respect to the integration of mental health and substance abuse services. At a minimum, the written expectations shall provide for the integration of those services as follows:

(a) Coordination and consolidation of administrative functions and redirection of efficiencies into service enhancements.

(b) Consolidation of points of 24-hour access for mental health and substance abuse services in every community.

(c) Alignment of coordinating agencies and prepaid inpatient health plans boundaries to maximize opportunities for collaboration and integration of administrative functions and clinical activities.

(2) By May 1, 2007, the department shall report to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office on the impact and effectiveness of this section and the status of the integration of mental health and substance abuse services.

Sec. 471. From the funds appropriated in part 1 for coordinating agencies and the Salvation Army harbor light program, administrative costs for these agencies as a percentage of their total expenditures shall not exceed their percentage in fiscal year 2004-2005 or 9%, whichever is less.

Sec. 474. The department shall ensure that each contract with a CMHSP or prepaid inpatient health plan requires the CMHSP or prepaid inpatient health plan to provide each recipient and his or her family with information regarding the different types of guardianship and the alternatives to guardianship. It is the intent of the legislature that a CMHSP or prepaid inpatient health plan shall not, in any manner, attempt to reduce or restrict the ability of a recipient or his or her family from seeking to obtain any form of legal guardianship without just cause.

Sec. 475. From the funds appropriated in part 1 for multicultural services, $990,000.00 shall be allocated to the Jewish federation of metropolitan Detroit.

STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES

Sec. 601. (1) In funding of staff in the financial support division, reimbursement, and billing and collection sections, priority shall be given to obtaining third-party payments for services. Collection from individual recipients of services and their families shall be handled in a sensitive and nonharassing manner.

(2) The department shall continue a revenue recapture project to generate additional revenues from third parties related to cases that have been closed or are inactive. Revenues collected through project efforts are appropriated to the department for departmental costs and contractual fees associated with these retroactive collections and to improve ongoing departmental reimbursement management functions.

Sec. 602. Unexpended and unencumbered amounts and accompanying expenditure authorizations up to $1,000,000.00 remaining on September 30, 2007 from the amounts appropriated in part 1 for gifts and bequests for patient living and treatment environments shall be carried forward for 1 fiscal year. The purpose of gifts and bequests for patient living and treatment environments is to use additional private funds to provide specific enhancements for individuals residing at state-operated facilities. Use of the gifts and bequests shall be consistent with the stipulation of the donor. The expected completion date for the use of gifts and bequests donations is within 3 years unless otherwise stipulated by the donor.

Sec. 603. The funds appropriated in part 1 for forensic mental health services provided to the department of corrections are in accordance with the interdepartmental plan developed in cooperation with the department of corrections. The department is authorized to receive and expend funds from the department of corrections in addition to the appropriations in part 1 to fulfill the obligations outlined in the interdepartmental agreements.

Sec. 604. (1) The CMHSPs or specialty prepaid health plans shall provide annual reports to the department on the following information:

(a) The number of days of care purchased from state hospitals and centers.

(b) The number of days of care purchased from private hospitals in lieu of purchasing days of care from state hospitals and centers.

(c) The number and type of alternative placements to state hospitals and centers other than private hospitals.

(d) Waiting lists for placements in state hospitals and centers.

(2) The department shall annually report the information in subsection (1) to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director.

Sec. 605. (1) The department shall not implement any closures or consolidations of state hospitals, centers, or agencies until CMHSPs or specialty prepaid health plans have programs and services in place for those persons currently in those facilities and a plan for service provision for those persons who would have been admitted to those facilities.

(2) All closures or consolidations are dependent upon adequate department-approved CMHSP plans that include a discharge and aftercare plan for each person currently in the facility. A discharge and aftercare plan shall address the person's housing needs. A homeless shelter or similar temporary shelter arrangements are inadequate to meet the person's housing needs.

(3) Four months after the certification of closure required in section 19(6) of the state employees' retirement act, 1943 PA 240, MCL 38.19, the department shall provide a closure plan to the house of representatives and senate appropriations subcommittees on community health and the state budget director.

(4) Upon the closure of state-run operations and after transitional costs have been paid, the remaining balances of funds appropriated for that operation shall be transferred to CMHSPs or specialty prepaid health plans responsible for providing services for persons previously served by the operations.

Sec. 606. The department may collect revenue for patient reimbursement from first- and third-party payers, including Medicaid and local county CMHSP payers, to cover the cost of placement in state hospitals and centers. The department is authorized to adjust financing sources for patient reimbursement based on actual revenues earned. If the revenue collected exceeds current year expenditures, the revenue may be carried forward with approval of the state budget director. The revenue carried forward shall be used as a first source of funds in the subsequent year.

PUBLIC HEALTH ADMINISTRATION

Sec. 650. The department shall communicate the annual public health consumption advisory for sportfish. The department shall, at a minimum, post the advisory on the Internet and make the information in the advisory available to the clients of the women, infants, and children special supplemental nutrition program.

Sec. 651. By April 30, 2007, the department shall submit a report to the house and senate fiscal agencies and the state budget director on the activities and efforts of the surgeon general to improve the health status of the citizens of this state with regard to the goals and objectives stated in the "Healthy Michigan 2010" report, and the measurable progress made toward those goals and objectives.

HEALTH POLICY, REGULATION AND PROFESSIONS

Sec. 704. The department shall continue to work with grantees supported through the appropriation in part 1 for the emergency medical services grants and contracts to ensure that a sufficient number of qualified emergency medical services personnel exist to serve rural areas of the state.

Sec. 705. The department shall post on the Internet the executive summary of the latest inspection for each licensed nursing home.

Sec. 706. When hiring any new nursing home inspectors funded through appropriations in part 1, the department shall make every effort to hire individuals with past experience in the long-term care industry.

Sec. 707. The funds appropriated in part 1 for the nurse scholarship program, established in section 16315 of the public health code, 1978 PA 368, MCL 333.16315, shall be used to increase the number of nurses practicing in Michigan. The board of nursing is encouraged to structure scholarships funded under this act in a manner that rewards recipients who intend to practice nursing in Michigan. In addition, the department and the board of nursing shall work cooperatively with the Michigan higher education assistance authority to coordinate scholarship assistance with scholarships provided pursuant to the Michigan nursing scholarship act, 2002 PA 591, MCL 390.1181 to 390.1189.

Sec. 708. Nursing facilities shall report in the quarterly staff report to the department, the total patient care hours provided each month, by state licensure and certification classification, and the percentage of pool staff, by state licensure and certification classification, used each month during the preceding quarter. The department shall make available to the public, the quarterly staff report compiled for all facilities including the total patient care hours and the percentage of pool staff used, by classification.

Sec. 709. The funds appropriated in part 1 for the Michigan essential health care provider program may also provide loan repayment for dentists that fit the criteria established by part 27 of the public health code, 1978 PA 368, MCL 333.2701 to 333.2727.

Sec. 710. From the funds appropriated in part 1 for primary care services, an amount not to exceed $1,723,300.00 is appropriated to enhance the service capacity of the federally qualified health centers and other health centers which are similar to federally qualified health centers.

Sec. 711. The department may make available to interested entities customized listings of nonconfidential information in its possession, such as names and addresses of licensees. The department may establish and collect a reasonable charge to provide this service. The revenue received from this service shall be used to offset expenses to provide the service. Any balance of this revenue collected and unexpended at the end of the fiscal year shall revert to the appropriate restricted fund.

Sec. 712. From the funds appropriated in part 1 for primary care services, $250,000.00 shall be allocated to free health clinics operating in the state. The department shall distribute the funds equally to each free health clinic. For the purpose of this appropriation, free health clinics are nonprofit organizations that use volunteer health professionals to provide care to uninsured individuals.

Sec. 713. The department is directed to continue support of multicultural agencies that provide primary care services from the funds appropriated in part 1 and to ensure that 100% of these funds are allocated to these agencies in a timely fashion.

Sec. 714. The department shall report to the legislature on the timeliness of nursing facility complaint investigations and the number of complaints that are substantiated on an annual basis. The report shall consist of the number of complaints filed by consumers and the number of facility-reported incidents. The department shall make every effort to contact every complainant and the subject of a complaint during an investigation.

Sec. 715. The department shall maintain existing contractual and funding arrangements to provide testing, certification, and inspection services for emergency medical service providers through December 31, 2006.

INFECTIOUS DISEASE CONTROL

Sec. 801. In the expenditure of funds appropriated in part 1 for AIDS programs, the department and its subcontractors shall ensure that adolescents receive priority for prevention, education, and outreach services.

Sec. 802. In developing and implementing AIDS provider education activities, the department may provide funding to the Michigan state medical society to serve as lead agency to convene a consortium of health care providers, to design needed educational efforts, to fund other statewide provider groups, and to assure implementation of these efforts, in accordance with a plan approved by the department.

Sec. 803. The department shall continue the AIDS drug assistance program maintaining the prior year eligibility criteria and drug formulary. This section is not intended to prohibit the department from providing assistance for improved AIDS treatment medications. If the appropriation in part 1 is not sufficient to maintain the prior year eligibility criteria and drug formulary, the department may revise the eligibility criteria and drug formulary in a manner that is consistent with federal program guidelines.

Sec. 804. The department, in conjunction with efforts to implement the Michigan prisoner reentry initiative, shall cooperate with the department of corrections to share data and information as it relates to prisoners being released and hepatitis C. By April 1, 2007, the department shall report to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the progress and results of its work and the potential outcomes from its work with the department of corrections under this section.

Sec. 805. The department shall work with health plans, providers, pharmaceutical manufacturers, and other interested parties to ensure that children under the age of 5 receive all of their scheduled vaccinations, including pneumococcal conjugate vaccines to help prevent invasive pneumococcal disease, including meningitis.

LOCAL HEALTH ADMINISTRATION AND GRANTS

Sec. 901. The amount appropriated in part 1 for implementation of the 1993 amendments to sections 9161, 16221, 16226, 17014, 17015, and 17515 of the public health code, 1978 PA 368, MCL 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and 333.17515, shall reimburse local health departments for costs incurred related to implementation of section 17015(18) of the public health code, 1978 PA 368, MCL 333.17015.

Sec. 902. If a county that has participated in a district health department or an associated arrangement with other local health departments takes action to cease to participate in such an arrangement after October 1, 2006, the department shall have the authority to assess a penalty from the local health department's operational accounts in an amount equal to no more than 5% of the local health department's local public health operations funding. This penalty shall only be assessed to the local county that requests the dissolution of the health department.

Sec. 903. The department shall provide a report annually to the house of representatives and senate appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the expenditures and activities undertaken by the lead abatement program. The report shall include, but is not limited to, a funding allocation schedule, expenditures by category of expenditure and by subcontractor, revenues received, description of program elements, and description of program accomplishments and progress.

Sec. 904. (1) Funds appropriated in part 1 for local public health operations shall be prospectively allocated to local health departments to support immunizations, infectious disease control, sexually transmitted disease control and prevention, hearing screening, vision services, food protection, public water supply, private groundwater supply, and on-site sewage management. Food protection shall be provided in consultation with the Michigan department of agriculture. Public water supply, private groundwater supply, and on-site sewage management shall be provided in consultation with the Michigan department of environmental quality.

(2) Local public health departments will be held to contractual standards for the services in subsection (1).

(3) Distributions in subsection (1) shall be made only to counties that maintain local spending in fiscal year 2006-2007 of at least the amount expended in fiscal year 1992-1993 for the services described in subsection (1).

(4) By April 1, 2007, the department shall make available upon request a report to the senate or house of representatives appropriations subcommittee on community health, the senate or house fiscal agency, or the state budget director on the planned allocation of the funds appropriated for local public health operations.

Sec. 905. From the funds appropriated in part 1 for local public health operations, $5,150,000.00 shall be used to continue funding hearing and vision screening services through local public health departments. The extent of services provided shall be similar to the extent of services provided in fiscal year 2004-2005.

CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION

Sec. 1003. Funds appropriated in part 1 for the Alzheimer's information network shall be used to provide information and referral services through regional networks for persons with Alzheimer's disease or related disorders, their families, and health care providers.

Sec. 1006. (1) In spending the funds appropriated in part 1 for the smoking prevention program, priority shall be given to prevention and smoking cessation programs for pregnant women, women with young children, and adolescents.

(2) For purposes of complying with 2004 PA 164, $900,000.00 of the funds appropriated in part 1 for the smoking prevention program shall be used for the quit kit program that includes the nicotine patch or nicotine gum.

Sec. 1007. (1) The funds appropriated in part 1 for violence prevention shall be used for, but not be limited to, the following:

(a) Programs aimed at the prevention of spouse, partner, or child abuse and rape.

(b) Programs aimed at the prevention of workplace violence.

(2) In awarding grants from the amounts appropriated in part 1 for violence prevention, the department shall give equal consideration to public and private nonprofit applicants.

(3) From the funds appropriated in part 1 for violence prevention, the department may include local school districts as recipients of the funds for family violence prevention programs.

Sec. 1008. From the funds appropriated in part 1 for the diabetes and kidney program, $25,000.00 shall be allocated for a diabetes management pilot project in Muskegon County.

Sec. 1009. From the funds appropriated in part 1 for the diabetes and kidney program, a portion of the funds may be allocated to the National Kidney Foundation of Michigan for kidney disease prevention programming including early identification and education programs and kidney disease prevention demonstration projects.

Sec. 1010. From the funds appropriated in part 1 for chronic disease prevention, $200,000.00 shall be allocated for osteoporosis prevention and treatment education.

Sec. 1019. From the funds appropriated in part 1 for chronic disease prevention, $50,000.00 may be allocated for stroke prevention, education, and outreach. The objectives of the program shall include education to assist persons in identifying risk factors, and education to assist persons in the early identification of the occurrence of a stroke in order to minimize stroke damage.

Sec. 1028. Contingent on the availability of state restricted healthy Michigan fund money or federal preventive health and health services block grant fund money, funds may be appropriated for the African-American male health initiative.

Sec. 1029. It is the intent of the legislature that the male participation rate in the African-American male health initiative program be no less than 75%.

FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES

Sec. 1101. The department shall review the basis for the distribution of funds to local health departments and other public and private agencies for the women, infants, and children food supplement program; family planning; and prenatal care outreach and service delivery support program and indicate the basis upon which any projected underexpenditures by local public and private agencies shall be reallocated to other local agencies that demonstrate need.

Sec. 1104. Before April 1, 2007, the department shall submit a report to the house and senate fiscal agencies and the state budget director on planned allocations from the amounts appropriated in part 1 for local MCH services, prenatal care outreach and service delivery support, family planning local agreements, and pregnancy prevention programs. Using applicable federal definitions, the report shall include information on all of the following:

(a) Funding allocations.

(b) Actual number of women, children, and/or adolescents served and amounts expended for each group for the fiscal year 2005-2006.

Sec. 1105. For all programs for which an appropriation is made in part 1, the department shall contract with those local agencies best able to serve clients. Factors to be used by the department in evaluating agencies under this section shall include ability to serve high-risk population groups; ability to serve low-income clients, where applicable; availability of, and access to, service sites; management efficiency; and ability to meet federal standards, when applicable.

Sec. 1106. Each family planning program receiving federal title X family planning funds shall be in compliance with all performance and quality assurance indicators that the United States bureau of community health services specifies in the family planning annual report. An agency not in compliance with the indicators shall not receive supplemental or reallocated funds.

Sec. 1106a. (1) Federal abstinence money expended in part 1 for the purpose of promoting abstinence education shall provide abstinence education to teenagers most likely to engage in high-risk behavior as their primary focus, and may include programs that include 9- to 17-year-olds. Programs funded must meet all of the following guidelines:

(a) Teaches the gains to be realized by abstaining from sexual activity.

(b) Teaches abstinence from sexual activity outside of marriage as the expected standard for all school-age children.

(c) Teaches that abstinence is the only certain way to avoid out-of-wedlock pregnancy, sexually transmitted diseases, and other health problems.

(d) Teaches that a monogamous relationship in the context of marriage is the expected standard of human sexual activity.

(e) Teaches that sexual activity outside of marriage is likely to have harmful effects.

(f) Teaches that bearing children out of wedlock is likely to have harmful consequences.

(g) Teaches young people how to avoid sexual advances and how alcohol and drug use increases vulnerability to sexual advances.

(h) Teaches the importance of attaining self-sufficiency before engaging in sexual activity.

(2) Coalitions, organizations, and programs that do not provide contraceptives to minors and demonstrate efforts to include parental involvement as a means of reducing the risk of teens becoming pregnant shall be given priority in the allocations of funds.

(3) Programs and organizations that meet the guidelines of subsection (1) and criteria of subsection (2) shall have the option of receiving all or part of their funds directly from the department of community health.

Sec. 1107. Of the amount appropriated in part 1 for prenatal care outreach and service delivery support, not more than 9% shall be expended for local administration, data processing, and evaluation.

Sec. 1108. The funds appropriated in part 1 for pregnancy prevention programs shall not be used to provide abortion counseling, referrals, or services.

Sec. 1109. (1) From the amounts appropriated in part 1 for dental programs, funds shall be allocated to the Michigan dental association for the administration of a volunteer dental program that would provide dental services to the uninsured in an amount that is no less than the amount allocated to that program in fiscal year 1996-1997.

(2) Not later than December 1 of the current fiscal year, the department shall make available upon request a report to the senate or house of representatives appropriations subcommittee on community health or the senate or house of representatives standing committee on health policy the number of individual patients treated, number of procedures performed, and approximate total market value of those procedures through September 30, 2006.

Sec. 1110. Agencies that currently receive pregnancy prevention funds and either receive or are eligible for other family planning funds shall have the option of receiving all of their family planning funds directly from the department of community health and be designated as delegate agencies.

Sec. 1111. The department shall allocate no less than 88% of the funds appropriated in part 1 for family planning local agreements and the pregnancy prevention program for the direct provision of family planning/pregnancy prevention services.

Sec. 1112. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, the department shall allocate at least $1,000,000.00 to communities with high infant mortality rates.

Sec. 1113. Service providers receiving funds appropriated in part 1 for family planning local agreements or the pregnancy prevention program shall include an optional-response field on general patient information documents requesting information on a patient's marital status.

Sec. 1114. From the funds appropriated in part 1 for special projects, $30,000.00 shall be allocated for creation of an Internet website to inform and train public service and public safety agency personnel regarding the provisions of the safe delivery of newborns law. The website shall be made available to the general public.

Sec. 1129. The department shall provide a report annually to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on the number of children with elevated blood lead levels from information available to the department. The report shall provide the information by county, shall include the level of blood lead reported, and shall indicate the sources of the information.

Sec. 1132. From the funds appropriated in part 1 for special projects, $400,000.00 shall be allocated to the nurse family partnership program.

Sec. 1133. The department shall release infant mortality rate data to all local public health departments no later than 48 hours prior to releasing infant mortality rate data to the public.

Sec. 1135. (1) Provision of the school health education curriculum, such as the Michigan model or another comprehensive school health education curriculum, shall be in accordance with the health education goals established by the Michigan model for the comprehensive school health education state steering committee. The state steering committee shall be comprised of a representative from each of the following offices and departments:

(a) The department of education.

(b) The department of community health.

(c) The health administration in the department of community health.

(d) The bureau of mental health and substance abuse services in the department of community health.

(e) The department of human services.

(f) The department of state police.

(2) Upon written or oral request, a pupil not less than 18 years of age or a parent or legal guardian of a pupil less than 18 years of age, within a reasonable period of time after the request is made, shall be informed of the content of a course in the health education curriculum and may examine textbooks and other classroom materials that are provided to the pupil or materials that are presented to the pupil in the classroom. This subsection does not require a school board to permit pupil or parental examination of test questions and answers, scoring keys, or other examination instruments or data used to administer an academic examination.

WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM

Sec. 1151. The department may work with local participating agencies to define local annual contributions for the farmer's market nutrition program, project FRESH, to enable the department to request federal matching funds based on local commitment of funds.

Sec. 1152. The department shall require that all Medicaid children participating in the special supplemental food program for women, infants, and children receive lead screening testing.

CHILDREN'S SPECIAL HEALTH CARE SERVICES

Sec. 1201. Funds appropriated in part 1 for medical care and treatment of children with special health care needs shall be paid according to reimbursement policies determined by the Michigan medical services program. Exceptions to these policies may be taken with the prior approval of the state budget director.

Sec. 1202. The department may do 1 or more of the following:

(a) Provide special formula for eligible clients with specified metabolic and allergic disorders.

(b) Provide medical care and treatment to eligible patients with cystic fibrosis who are 21 years of age or older.

(c) Provide genetic diagnostic and counseling services for eligible families.

(d) Provide medical care and treatment to eligible patients with hereditary coagulation defects, commonly known as hemophilia, who are 21 years of age or older.

Sec. 1203. All children who are determined medically eligible for the children's special health care services program shall be referred to the appropriate locally based services program in their community.

OFFICE OF DRUG CONTROL POLICY

Sec. 1250. The department shall provide $1,800,000.00 in Byrne formula grant program funding to the judiciary by interdepartmental grant.

CRIME VICTIM SERVICES COMMISSION

Sec. 1301. (1) Funds appropriated in part 1 for the crime victim services commission and granted to an organization shall not be used by that organization for lobbying as defined in 1978 PA 472, MCL 4.411 to 4.431, and shall not be used in an attempt to influence the decisions of the legislature, the governor, or any state agency.

(2) The department shall assure that each organization that receives funds appropriated in part 1 for the crime victim services commission to ensure that subsection (1) has not been violated.

Sec. 1302. From the funds appropriated in part 1 for justice assistance grants, up to $50,000.00 shall be allocated for expansion of forensic nurse examiner programs to facilitate training for improved evidence collection for the prosecution of sexual assault. The funds shall be used for program coordination, training, and counseling. Unexpended funds shall be carried forward.

Sec. 1304. The department shall work with the department of state police, the Michigan hospital association, the Michigan state medical society, and the Michigan nurses association to ensure that the recommendations included in the "Standard Recommended Procedures for the Emergency Treatment of Sexual Assault Victims" are followed in the collection of evidence.

OFFICE OF SERVICES TO THE AGING

Sec. 1401. The appropriation in part 1 to the office of services to the aging, for community and nutrition services and home services, shall be restricted to eligible individuals at least 60 years of age who fail to qualify for home care services under title XVIII, XIX, or XX.

Sec. 1403. The office of services to the aging shall require each region to report to the office of services to the aging home delivered meals waiting lists based upon standard criteria. Determining criteria shall include all of the following:

(a) The recipient's degree of frailty.

(b) The recipient's inability to prepare his or her own meals safely.

(c) Whether the recipient has another care provider available.

(d) Any other qualifications normally necessary for the recipient to receive home delivered meals.

Sec. 1404. The area agencies and local providers may receive and expend fees for the provision of day care, care management, respite care, and certain eligible home and community-based services. The fees shall be based on a sliding scale, taking client income into consideration. The fees shall be used to expand services.

Sec. 1406. The appropriation of $5,000,000.00 of merit award trust funds to the office of services to the aging for the respite care program shall be allocated in accordance with a long-term care plan developed by the long-term care working group established in section 1657 of 1998 PA 336 upon implementation of the plan. The use of the funds shall be for direct respite care or adult respite care center services. Not more than 9% of the amount allocated under this section shall be expended for administration and administrative purposes.

Sec. 1413. The legislature affirms the commitment to locally-based services. The legislature supports the role of local county board of commissioners in the approval of area agency on aging plans. The legislature supports choice and the right of local counties to change membership in the area agencies on aging if the change is to an area agency on aging that is contiguous to that county. The legislature supports the office of services to the aging working with others to provide training to commissions to better understand and advocate for aging issues. It is the intent of the legislature to prohibit area agencies on aging from providing direct services, including home- and community-based waiver services, unless the agencies receive a waiver from the department. The legislature's intent in this section is conditioned on compliance with federal and state laws, rules, and policies.

Sec. 1416. The legislature affirms the commitment to provide in-home services, resources, and assistance for the frail elderly who are not being served by the Medicaid home- and community-based services waiver program.

MICHIGAN FIRST HEALTHCARE PLAN

Sec. 1501. Funds appropriated in part 1 for the Michigan First Healthcare Plan are contingent upon approval of a waiver from the federal government.

Sec. 1502. Upon approval of a waiver from the federal government for the Michigan First Healthcare Plan, the department shall provide the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director with a report detailing the process that will be utilized to determine which insurance entities will be selected for participation in the Michigan First Healthcare Plan. The department shall not award a single source contract to a health plan through the Michigan First Healthcare Plan.

Sec. 1503. The department shall provide a copy of the federally approved Michigan First Healthcare Plan or similar proposal to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director at least 90 days before implementing any portion of the Michigan First Healthcare Plan or other similar proposal.

MEDICAL SERVICES

Sec. 1601. The cost of remedial services incurred by residents of licensed adult foster care homes and licensed homes for the aged shall be used in determining financial eligibility for the medically needy. Remedial services include basic self-care and rehabilitation training for a resident.

Sec. 1602. Medical services shall be provided to elderly and disabled persons with incomes less than or equal to 100% of the official poverty level, pursuant to the state's option to elect such coverage set out at section 1902(a)(10)(A)(*ii*) and (m) of title XIX, 42 USC 1396a.

Sec. 1603. (1) The department may establish a program for persons to purchase medical coverage at a rate determined by the department.

(2) The department may receive and expend premiums for the buy-in of medical coverage in addition to the amounts appropriated in part 1.

(3) The premiums described in this section shall be classified as private funds.

Sec. 1604. If an applicant for Medicaid coverage is found to be eligible, the department shall provide payment for all of the Medicaid covered and appropriately authorized services that have been provided to that applicant since the first day of the month in which the applicant filed and the department of human services received the application for Medicaid coverage. Receipt of the application by a local department of human services office is considered the date the application is received. If an application is submitted on the last day of the month and that day falls on a weekend or a holiday and the application is received by the local department of human services office on the first business day following the end of the month, then receipt of the application is considered to have been on the last day of the previous month. As used in this section, "completed application" means an application complete on its face and signed by the applicant regardless of whether the medical documentation required to make an eligibility determination is included.

Sec. 1605. (1) The protected income level for Medicaid coverage determined pursuant to section 106(1)(b)(*iii*) of the social welfare act, 1939 PA 280, MCL 400.106, shall be 100% of the related public assistance standard.

(2) The department shall notify the senate and house of representatives appropriations subcommittees on community health and the state budget director of any proposed revisions to the protected income level for Medicaid coverage related to the public assistance standard 90 days prior to implementation.

Sec. 1606. For the purpose of guardian and conservator charges, the department of community health may deduct up to $45.00 per month as an allowable expense against a recipient's income when determining medical services eligibility and patient pay amounts.

Sec. 1607. (1) An applicant for Medicaid, whose qualifying condition is pregnancy, shall immediately be presumed to be eligible for Medicaid coverage unless the preponderance of evidence in her application indicates otherwise. The applicant who is qualified as described in this subsection shall be allowed to select or remain with the Medicaid participating obstetrician of her choice.

(2) An applicant qualified as described in subsection (1) shall be given a letter of authorization to receive Medicaid covered services related to her pregnancy. All qualifying applicants shall be entitled to receive all medically necessary obstetrical and prenatal care without preauthorization from a health plan. All claims submitted for payment for obstetrical and prenatal care shall be paid at the Medicaid fee-for-service rate in the event a contract does not exist between the Medicaid participating obstetrical or prenatal care provider and the managed care plan. The applicant shall receive a listing of Medicaid physicians and managed care plans in the immediate vicinity of the applicant's residence.

(3) In the event that an applicant, presumed to be eligible pursuant to subsection (1), is subsequently found to be ineligible, a Medicaid physician or managed care plan that has been providing pregnancy services to an applicant under this section is entitled to reimbursement for those services until such time as they are notified by the department that the applicant was found to be ineligible for Medicaid.

(4) If the preponderance of evidence in an application indicates that the applicant is not eligible for Medicaid, the department shall refer that applicant to the nearest public health clinic or similar entity as a potential source for receiving pregnancy-related services.

(5) The department shall develop an enrollment process for pregnant women covered under this section that facilitates the selection of a managed care plan at the time of application.

Sec. 1610. The department of community health shall provide an administrative procedure for the review of cost report grievances by medical services providers with regard to reimbursement under the medical services program. Settlements of properly submitted cost reports shall be paid not later than 9 months from receipt of the final report.

Sec. 1611. (1) For care provided to medical services recipients with other third-party sources of payment, medical services reimbursement shall not exceed, in combination with such other resources, including Medicare, those amounts established for medical services-only patients. The medical services payment rate shall be accepted as payment in full. Other than an approved medical services copayment, no portion of a provider's charge shall be billed to the recipient or any person acting on behalf of the recipient. Nothing in this section shall be considered to affect the level of payment from a third-party source other than the medical services program. The department shall require a nonenrolled provider to accept medical services payments as payment in full.

(2) Notwithstanding subsection (1), medical services reimbursement for hospital services provided to dual Medicare/medical services recipients with Medicare part B coverage only shall equal, when combined with payments for Medicare and other third-party resources, if any, those amounts established for medical services-only patients, including capital payments.

Sec. 1615. Unless prohibited by federal or state law or regulation, the department shall require enrolled Medicaid providers to submit their billings for services electronically.

Sec. 1620. (1) For fee-for-service recipients who do not reside in nursing homes, the pharmaceutical dispensing fee shall be $2.50 or the pharmacy's usual or customary cash charge, whichever is less. For nursing home residents, the pharmaceutical dispensing fee shall be $2.75 or the pharmacy's usual or customary cash charge, whichever is less.

(2) The department shall require a prescription copayment for Medicaid recipients of $1.00 for a generic drug and $3.00 for a brand-name drug, except as prohibited by federal or state law or regulation.

(3) For fee-for-service recipients, an optional mail order pharmacy program shall be available.

Sec. 1621. (1) The department may implement prospective drug utilization review and disease management systems. The prospective drug utilization review and disease management systems authorized by this subsection shall have physician oversight, shall focus on patient, physician, and pharmacist education, and shall be developed in consultation with the national pharmaceutical council, Michigan state medical society, Michigan association of osteopathic physicians, Michigan pharmacists association, Michigan health and hospital association, and Michigan nurses' association.

(2) This section does not authorize or allow therapeutic substitution.

Sec. 1621a. (1) The department, in conjunction with pharmaceutical manufacturers or their agents, may establish pilot projects to test the efficacy of disease management and health management programs.

(2) The department may negotiate a plan that uses the savings resulting from the services rendered from these programs, in lieu of requiring a supplemental rebate for the inclusion of those participating parties' products on the department's preferred drug list.

Sec. 1623. (1) The department shall continue the Medicaid policy that allows for the dispensing of a 100-day supply for maintenance drugs.

(2) The department shall notify all HMOs, physicians, pharmacies, and other medical providers that are enrolled in the Medicaid program that Medicaid policy allows for the dispensing of a 100-day supply for maintenance drugs.

(3) The notice in subsection (2) shall also clarify that a pharmacy shall fill a prescription written for maintenance drugs in the quantity specified by the physician, but not more than the maximum allowed under Medicaid, unless subsequent consultation with the prescribing physician indicates otherwise.

Sec. 1625. The department shall continue its practice of placing all atypical antipsychotic medications on the Medicaid preferred drug list.

Sec. 1627. (1) The department shall use procedures and rebates amounts specified under section 1927 of title XIX, 42 USC 1396r-8, to secure quarterly rebates from pharmaceutical manufacturers for outpatient drugs dispensed to participants in the MIChild program, maternal outpatient medical services program, children's special health care services, and adult benefit waiver program.

(2) For products distributed by pharmaceutical manufacturers not providing quarterly rebates as listed in subsection (1), the department may require preauthorization.

Sec. 1628. (1) The department shall convene by April 2007 a committee to study the implementation of psychotropic pharmacy administration under Medicare part D for individuals dually enrolled in the Medicare and Medicaid programs. This committee shall study and evaluate the effectiveness of mental health consumer enrollment and medication access through the Medicare part D procedures for pharmaceutical management for dual eligibles.

(2) The committee shall include a representative from each of the following organizations: the medical services administration, the office of services to the aging, the department's mental health and substance abuse services division, mental health association of Michigan, national alliance for the mentally ill of Michigan, Michigan psychiatric society, Michigan association of community mental health boards, Michigan pharmacists association, Michigan protection and advocacy service, international association of psychosocial rehabilitation services, and the pharmaceutical industry. The committee shall elect a chairperson who is not employed by state government.

(3) The committee shall produce a report by September 30, 2007 to the senate and house of representatives appropriations subcommittees on community health and the senate and house fiscal agencies.

Sec. 1629. The department shall utilize maximum allowable cost pricing for generic drugs that is based on wholesaler pricing to providers that is available from at least 2 wholesalers who deliver in the state of Michigan.

Sec. 1630. (1) Medicaid coverage for podiatric services, adult dental services, and chiropractic services shall continue at not less than the level in effect on October 1, 2002, except that reasonable utilization limitations may be adopted in order to prevent excess utilization. The department shall not impose utilization restrictions on chiropractic services unless a recipient has exceeded 18 office visits within 1 year.

(2) The department may implement the bulk purchase of hearing aids, impose limitations on binaural hearing aid benefits, and limit the replacement of hearing aids to once every 3 years.

Sec. 1631. (1) The department shall require copayments on dental, podiatric, chiropractic, vision, and hearing aid services provided to Medicaid recipients, except as prohibited by federal or state law or regulation.

(2) Except as otherwise prohibited by federal or state law or regulations, the department shall require Medicaid recipients to pay the following copayments:

(a) Two dollars for a physician office visit.

(b) Six dollars for a hospital emergency room visit.

(c) Fifty dollars for the first day of an in-patient hospital stay.

(d) One dollar for an out-patient hospital visit.

Sec. 1633. From the funds appropriated in part 1 for dental services, the department shall expand the healthy kids dental program statewide if funds become available specifically for expansion of the program.

Sec. 1634. From the funds appropriated in part 1 for ambulance services, the department shall continue the 5% increase in payment rates for ambulance services implemented in fiscal year 2000-2001 and continue the ground mileage reimbursement rate per statute mile at $4.25.

Sec. 1635. From the funds appropriated in part 1 for physician services and health plan services, the department shall continue the increase in Medicaid reimbursement rates for obstetrical services implemented in fiscal year 2005-2006.

Sec. 1636. (1) From the funds appropriated in part 1 for physician services and health plan services, $16,623,600.00, of which $7,251,200.00 is general fund/general purpose funds, shall be allocated to increase Medicaid reimbursement rates for physician well child procedure codes and primary care procedure codes. The increased reimbursement rates in this section shall be implemented October 1, 2006 and shall not exceed the comparable Medicare payment rate for the same services.

(2) By October 1, 2006, the department shall provide a report to the house of representatives and senate appropriations subcommittees on community health and the house and senate fiscal agencies that identifies the specific procedure codes affected by this provision as well as the amount and percentage increase provided for each procedure code.

Sec. 1637. (1) All adult Medicaid recipients shall be offered the opportunity to sign a Medicaid personal responsibility agreement.

(2) The personal responsibility agreement shall include at minimum the following provisions:

(a) That the recipient shall not smoke.

(b) That the recipient shall attend all scheduled medical appointments.

(c) That the recipient shall exercise regularly.

(d) That if the recipient has children, those children shall be up-to-date on their immunizations.

(e) That the recipient shall abstain from abusing controlled substances and narcotics.

Sec. 1641. An institutional provider that is required to submit a cost report under the medical services program shall submit cost reports completed in full within 5 months after the end of its fiscal year.

Sec. 1643. Of the funds appropriated in part 1 for graduate medical education in the hospital services and therapy line item appropriation, not less than $10,359,000.00 shall be allocated for the psychiatric residency training program that establishes and maintains collaborative relations with the schools of medicine at Michigan State University and Wayne State University if the necessary allowable Medicaid matching funds are provided by the universities.

Sec. 1647. From the funds appropriated in part 1 for medical services, the department shall allocate for graduate medical education not less than the level of rates and payments in effect on April 1, 2005.

Sec. 1648. The department shall maintain an automated toll-free phone line to enable medical providers to verify the eligibility status of Medicaid recipients. There shall be no charge to providers for the use of the toll-free phone line.

Sec. 1649. From the funds appropriated in part 1 for medical services, the department shall continue breast and cervical cancer treatment coverage for women up to 250% of the federal poverty level, who are under age 65, and who are not otherwise covered by insurance. This coverage shall be provided to women who have been screened through the centers for disease control breast and cervical cancer early detection program, and are found to have breast or cervical cancer, pursuant to the breast and cervical cancer prevention and treatment act of 2000, Public Law 106-354, 114 Stat. 1381.

Sec. 1650. (1) The department may require medical services recipients residing in counties offering managed care options to choose the particular managed care plan in which they wish to be enrolled. Persons not expressing a preference may be assigned to a managed care provider.

(2) Persons to be assigned a managed care provider shall be informed in writing of the criteria for exceptions to capitated managed care enrollment, their right to change HMOs for any reason within the initial 90 days of enrollment, the toll-free telephone number for problems and complaints, and information regarding grievance and appeals rights.

(3) The criteria for medical exceptions to HMO enrollment shall be based on submitted documentation that indicates a recipient has a serious medical condition, and is undergoing active treatment for that condition with a physician who does not participate in 1 of the HMOs. If the person meets the criteria established by this subsection, the department shall grant an exception to mandatory enrollment at least through the current prescribed course of treatment, subject to periodic review of continued eligibility.

Sec. 1651. (1) Medical services patients who are enrolled in HMOs have the choice to elect hospice services or other services for the terminally ill that are offered by the HMOs. If the patient elects hospice services, those services shall be provided in accordance with part 214 of the public health code, 1978 PA 368, MCL 333.21401 to 333.21420.

(2) The department shall not amend the medical services hospice manual in a manner that would allow hospice services to be provided without making available all comprehensive hospice services described in 42 CFR part 418.

Sec. 1653. Implementation and contracting for managed care by the department through HMOs shall be subject to the following conditions:

(a) Continuity of care is assured by allowing enrollees to continue receiving required medically necessary services from their current providers for a period not to exceed 1 year if enrollees meet the managed care medical exception criteria.

(b) The department shall require contracted HMOs to submit data determined necessary for evaluation on a timely basis.

(c) Mandatory enrollment of Medicaid beneficiaries living in counties defined as rural by the federal government, which is any nonurban standard metropolitan statistical area, is allowed if there is only 1 HMO serving the Medicaid population, as long as each Medicaid beneficiary is assured of having a choice of at least 2 physicians by the HMO.

(d) Enrollment of recipients of children's special health care services in HMOs shall be voluntary during the fiscal year.

(e) The department shall develop a case adjustment to its rate methodology that considers the costs of persons with HIV/AIDS, end stage renal disease, organ transplants, and other high-cost diseases or conditions and shall implement the case adjustment when it is proven to be actuarially and fiscally sound. Implementation of the case adjustment must be budget neutral.

Sec. 1654. Medicaid HMOs shall provide for reimbursement of HMO covered services delivered other than through the HMO's providers if medically necessary and approved by the HMO, immediately required, and that could not be reasonably obtained through the HMO's providers on a timely basis. Such services shall be considered approved if the HMO does not respond to a request for authorization within 24 hours of the request. Reimbursement shall not exceed the Medicaid fee-for-service payment for those services.

Sec. 1655. (1) The department may require a 12-month lock-in to the HMO selected by the recipient during the initial and subsequent open enrollment periods, but allow for good cause exceptions during the lock-in period.

(2) Medicaid recipients shall be allowed to change HMOs for any reason within the initial 90 days of enrollment.

Sec. 1656. (1) The department shall provide an expedited complaint review procedure for Medicaid eligible persons enrolled in HMOs for situations in which failure to receive any health care service would result in significant harm to the enrollee.

(2) The department shall provide for a toll-free telephone number for Medicaid recipients enrolled in managed care to assist with resolving problems and complaints. If warranted, the department shall immediately disenroll persons from managed care and approve fee-for-service coverage.

(3) Annual reports summarizing the problems and complaints reported and their resolution shall be provided to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office.

Sec. 1657. (1) Reimbursement for medical services to screen and stabilize a Medicaid recipient, including stabilization of a psychiatric crisis, in a hospital emergency room shall not be made contingent on obtaining prior authorization from the recipient's HMO. If the recipient is discharged from the emergency room, the hospital shall notify the recipient's HMO within 24 hours of the diagnosis and treatment received.

(2) If the treating hospital determines that the recipient will require further medical service or hospitalization beyond the point of stabilization, that hospital must receive authorization from the recipient's HMO prior to admitting the recipient.

(3) Subsections (1) and (2) shall not be construed as a requirement to alter an existing agreement between an HMO and their contracting hospitals nor as a requirement that an HMO must reimburse for services that are not considered to be medically necessary.

(4) Prior to contracting with an HMO for managed care services that did not have a contract with the department before October 1, 2002, the department shall receive assurances from the office of financial and insurance services that the HMO meets the net worth and financial solvency requirements contained in chapter 35 of the insurance code of 1956, 1956 PA 218, MCL 500.3501 to 500.3580.

Sec. 1658. (1) HMOs shall have contracts with hospitals within a reasonable distance from their enrollees. If a hospital does not contract with the HMO, in its service area, that hospital shall enter into a hospital access agreement as specified in the MSA bulletin Hospital 01-19.

(2) A hospital access agreement specified in subsection (1) shall be considered an affiliated provider contract pursuant to the requirements contained in chapter 35 of the insurance code of 1956, 1956 PA 218, MCL 500.3501 to 500.3580.

Sec. 1659. The following sections of this act are the only ones that shall apply to the following Medicaid managed care programs, including the comprehensive plan, children's special health care services plan, MIChoice long-term care plan, and the mental health, substance abuse, and developmentally disabled services program: 401, 402, 404, 411, 414, 418, 424, 428, 456, 1650, 1651, 1653, 1654, 1655, 1656, 1657, 1658, 1660, 1661, 1662, 1666, 1699, 1711, 1749, 1752, 1753, and 1766.

Sec. 1660. (1) The department shall assure that all Medicaid children have timely access to EPSDT services as required by federal law. Medicaid HMOs shall provide EPSDT services to their child members in accordance with Medicaid EPSDT policy.

(2) The primary responsibility of assuring a child's hearing and vision screening is with the child's primary care provider. The primary care provider shall provide age appropriate screening or arrange for these tests through referrals to local health departments. Local health departments shall provide preschool hearing and vision screening services and accept referrals for these tests from physicians or from Head Start programs in order to assure all preschool children have appropriate access to hearing and vision screening. Local health departments shall be reimbursed for the cost of providing these tests for Medicaid eligible children by the Medicaid program.

(3) The department shall require Medicaid HMOs to provide EPSDT utilization data through the encounter data system, and health employer data and information set well child health measures in accordance with the National Committee on Quality Assurance prescribed methodology.

(4) The department shall require HMOs to be responsible for well child visits and maternal and infant support services as described in Medicaid policy. These responsibilities shall be specified in the information distributed by the HMOs to their members.

(5) The department shall provide, on an annual basis, budget neutral incentives to Medicaid HMOs and local health departments to improve performance on measures related to the care of children and pregnant women.

Sec. 1661. (1) The department shall assure that all Medicaid eligible children and pregnant women have timely access to MSS/ISS services. Medicaid HMOs shall assure that maternal support service screening is available to their pregnant members and that those women found to meet the maternal support service high-risk criteria are offered maternal support services. Local health departments shall assure that maternal support service screening is available for Medicaid pregnant women not enrolled in an HMO and that those women found to meet the maternal support service high-risk criteria are offered maternal support services or are referred to a certified maternal support service provider.

(2) The department shall prohibit HMOs from requiring prior authorization of their contracted providers for any EPSDT screening and diagnosis service, for any MSS/ISS screening referral, or for up to 3 MSS/ISS service visits.

(3) The department shall assure the coordination of MSS/ISS services with the WIC program, state-supported substance abuse, smoking prevention, and violence prevention programs, the department of human services, and any other state or local program with a focus on preventing adverse birth outcomes and child abuse and neglect.

Sec. 1662. (1) The department shall assure that an external quality review of each contracting HMO is performed that results in an analysis and evaluation of aggregated information on quality, timeliness, and access to health care services that the HMO or its contractors furnish to Medicaid beneficiaries.

(2) The department shall provide a copy of the analysis of the Medicaid HMO annual audited health employer data and information set reports and the annual external quality review report to the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director, within 30 days of the department's receipt of the final reports from the contractors.

(3) The department shall work with the Michigan association of health plans and the Michigan association for local public health to improve service delivery and coordination in the MSS/ISS and EPSDT programs.

(4) The department shall assure that training and technical assistance are available for EPSDT and MSS/ISS for Medicaid health plans, local health departments, and MSS/ISS contractors.

Sec. 1666. To increase timely repayment of the maternity case rate to health plans and reduce the need to recover revenue from hospitals, the department shall implement system changes to assure that children who are born to mothers who are Medicaid eligible and enrolled in health plans are within 30 days after birth included in the Medicaid eligibility file and enrolled in the same health plan as the mother or any other health plan designated by the mother.

Sec. 1670. (1) The appropriation in part 1 for the MIChild program is to be used to provide comprehensive health care to all children under age 19 who reside in families with income at or below 200% of the federal poverty level, who are uninsured and have not had coverage by other comprehensive health insurance within 6 months of making application for MIChild benefits, and who are residents of this state. The department shall develop detailed eligibility criteria through the medical services administration public concurrence process, consistent with the provisions of this act. Health care coverage for children in families below 150% of the federal poverty level shall be provided through expanded eligibility under the state's Medicaid program. Health coverage for children in families between 150% and 200% of the federal poverty level shall be provided through a state-based private health care program.

(2) The department may provide up to 1 year of continuous eligibility to children eligible for the MIChild program unless the family fails to pay the monthly premium, a child reaches age 19, or the status of the children's family

changes and its members no longer meet the eligibility criteria as specified in the federally approved MIChild state plan.

(3) Children whose category of eligibility changes between the Medicaid and MIChild programs shall be assured of keeping their current health care providers through the current prescribed course of treatment for up to 1 year, subject to periodic reviews by the department if the beneficiary has a serious medical condition and is undergoing active treatment for that condition.

(4) To be eligible for the MIChild program, a child must be residing in a family with an adjusted gross income of less than or equal to 200% of the federal poverty level. The department's verification policy shall be used to determine eligibility.

(5) The department shall enter into a contract to obtain MIChild services from any HMO, dental care corporation, or any other entity that offers to provide the managed health care benefits for MIChild services at the MIChild capitated rate. As used in this subsection:

(a) "Dental care corporation", "health care corporation", "insurer", and "prudent purchaser agreement" mean those terms as defined in section 2 of the prudent purchaser act, 1984 PA 233, MCL 550.52.

(b) "Entity" means a health care corporation or insurer operating in accordance with a prudent purchaser agreement.

(6) The department may enter into contracts to obtain certain MIChild services from community mental health service programs.

(7) The department may make payments on behalf of children enrolled in the MIChild program from the line-item appropriation associated with the program as described in the MIChild state plan approved by the United States department of health and human services, or from other medical services line-item appropriations providing for specific health care services.

Sec. 1671. From the funds appropriated in part 1, the department shall continue a comprehensive approach to the marketing and outreach of the MIChild program. The marketing and outreach required under this section shall be coordinated with current outreach, information dissemination, and marketing efforts and activities conducted by the department.

Sec. 1673. (1) The department may establish premiums for MIChild eligible persons in families with income above 150% of the federal poverty level. The monthly premiums shall not be less than $10.00 or exceed $15.00 for a family.

(2) The department shall not require copayments under the MIChild program.

Sec. 1677. The MIChild program shall provide all benefits available under the state employee insurance plan that are delivered through contracted providers and consistent with federal law, including, but not limited to, the following medically necessary services:

(a) Inpatient mental health services, other than substance abuse treatment services, including services furnished in a state-operated mental hospital and residential or other 24-hour therapeutically planned structured services.

(b) Outpatient mental health services, other than substance abuse services, including services furnished in a state-operated mental hospital and community-based services.

(c) Durable medical equipment and prosthetic and orthotic devices.

(d) Dental services as outlined in the approved MIChild state plan.

(e) Substance abuse treatment services that may include inpatient, outpatient, and residential substance abuse treatment services.

(f) Care management services for mental health diagnoses.

(g) Physical therapy, occupational therapy, and services for individuals with speech, hearing, and language disorders.

(h) Emergency ambulance services.

Sec. 1680. (1) Payment increases for enhanced wages and new or enhanced employee benefits provided in previous years through the Medicaid nursing home wage pass-through program shall be continued in fiscal year 2006-2007.

(2) The department shall not implement any increase or decrease in the Medicaid nursing home wage pass-through program in fiscal year 2005-2006.

Sec. 1681. From the funds appropriated in part 1 for home- and community-based services, the department and local waiver agents shall encourage the use of family members, friends, and neighbors of home and community-based services participants, where appropriate, to provide homemaker services, meal preparation, transportation, chore services, and other nonmedical covered services to participants in the Medicaid home- and community-based services program. This section shall not be construed as allowing for the payment of family members, friends, or neighbors for these services unless explicitly provided for in federal or state law.

Sec. 1682. (1) The department shall implement enforcement actions as specified in the nursing facility enforcement provisions of section 1919 of title XIX, 42 USC 1396r.

(2) The department is authorized to receive and spend penalty money received as the result of noncompliance with medical services certification regulations. Penalty money, characterized as private funds, received by the department shall increase authorizations and allotments in the long-term care accounts.

(3) Any unexpended penalty money, at the end of the year, shall carry forward to the following year.

Sec. 1683. The department shall promote activities that preserve the dignity and rights of terminally ill and chronically ill individuals. Priority shall be given to programs, such as hospice, that focus on individual dignity and quality of care provided persons with terminal illness and programs serving persons with chronic illnesses that reduce the rate of suicide through the advancement of the knowledge and use of improved, appropriate pain management for these persons; and initiatives that train health care practitioners and faculty in managing pain, providing palliative care, and suicide prevention.

Sec. 1684. (1) Of the funds appropriated in part 1 for the Medicaid home- and community-based services waiver program, the payment rate allocated for administrative expenses for fiscal year 2006-2007 shall continue at the rate implemented in fiscal year 2005-2006 after the $2.00 per person per day mandated reduction.

(2) The savings realized from continuing the reduced administrative rate shall be reallocated to increase enrollment in the waiver program and to provide direct services to eligible program participants.

(3) The department shall provide a report by April 1, 2007, to the house of representatives and senate appropriations subcommittees on community health and the house and senate fiscal agencies on the number of nursing home patients discharged who are subsequently enrolled in the Medicaid home- and community-based services waiver program, and the associated cost savings.

Sec. 1685. All nursing home rates, class I and class III, must have their respective fiscal year rate set 30 days prior to the beginning of their rate year. Rates may take into account the most recent cost report prepared and certified by the preparer, provider corporate owner or representative as being true and accurate, and filed timely, within 5 months of the fiscal year end in accordance with Medicaid policy. If the audited version of the last report is available, it shall be used. Any rate factors based on the filed cost report may be retroactively adjusted upon completion of the audit of that cost report.

Sec. 1686. (1) The department shall submit a report by April 30, 2007 to the house of representatives and senate appropriations subcommittees on community health and the house and senate fiscal agencies on the progress of 4 Medicaid long-term care single point of entry services pilot projects. The department shall also submit a final plan to the house of representatives and senate subcommittees on community health and the house and senate fiscal agencies 60 days prior to any expansion of the program.

(2) In addition to the report required under subsection (1), the department shall report all of the following to the house of representatives and senate appropriations subcommittees on community health and the house of representatives and senate fiscal agencies by September 30, 2007:

(a) The total cost of the single point of entry program.

(b) The total cost of each designated single point of entry.

(c) The total amount of Medicaid dollars saved because of the program.

(d) The total number of emergent single point of entry cases handled and the average length of time for placement in long-term care for those cases.

(e) The total number of single point of entry cases involving transfer from hospital settings to long-term care settings and the average length of time for placement of those cases in long-term care settings.

(3) It is the intent of the legislature that funding for single point of entry for long-term care end on September 30, 2008.

(4) As used in this section, “single point of entry” means a system that enables consumers to access Medicaid long-term care services and supports through 1 agency or organization and that promotes consumer education and choice of long-term care options.

Sec. 1687. (1) From the funds appropriated in part 1 for long-term care services, the department 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 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.

Sec. 1688. The department shall not impose a limit on per unit reimbursements to service providers that provide personal care or other services under the Medicaid home- and community-based services waiver program for the elderly and disabled. The department’s per day per client reimbursement cap calculated in the aggregate for all services provided under the Medicaid home- and community-based services waiver is not a violation of this section.

Sec. 1689. (1) Priority in enrolling additional persons in the Medicaid home- and community-based services waiver program shall be given to those who are currently residing in nursing homes or who are eligible to be admitted to a nursing home if they are not provided home- and community-based services. The department shall implement screening and assessment procedures to assure that no additional Medicaid eligible persons are admitted to nursing homes who would be more appropriately served by the Medicaid home- and community-based services waiver program. If there is a net decrease in the number of Medicaid nursing home days of care during the most recent quarter in comparison with the previous quarter and a net cost savings attributable to moving individuals from a nursing home

to the home- and community-based services waiver program, the department shall transfer the net cost savings to the home- and community-based services waiver program. If a transfer is required, it shall be done on a quarterly basis.

(2) Within 30 days of the end of each fiscal quarter, the department shall provide a report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies that details existing and future allocations for the home- and community-based services waiver program by regions as well as the associated expenditures. The report shall include information regarding the net cost savings from moving individuals from a nursing home to the home- and community-based services waiver program and the amount of funds transferred.

Sec. 1691. The funding increase of $31,462,600.00 provided in part 1 for the adult home help program shall be passed through to adult home help workers subject to the following conditions:

(a) All adult home help workers providing care under the adult home help program shall receive a wage of at least $7.00 per hour, effective October 1, 2006.

(b) Adult home help workers employed by a county which paid those adult home help workers at least $7.00 per hour as of July 1, 2006 shall receive a wage rate increase of $0.50 per hour.

(c) The department, in conjunction with the department of human services, shall revise any policies, rules, procedures, or regulations that may be an administrative barrier to the implementation of the wage increases described in this section.

Sec. 1692. (1) The department of community health is authorized to pursue reimbursement for eligible services provided in Michigan schools from the federal Medicaid program. The department and the state budget director are authorized to negotiate and enter into agreements, together with the department of education, with local and intermediate school districts regarding the sharing of federal Medicaid services funds received for these services. The department is authorized to receive and disburse funds to participating school districts pursuant to such agreements and state and federal law.

(2) From the funds appropriated in part 1 for medical services school services payments, the department is authorized to do all of the following:

(a) Finance activities within the medical services administration related to this project.

(b) Reimburse participating school districts pursuant to the fund sharing ratios negotiated in the state-local agreements authorized in subsection (1).

(c) Offset general fund costs associated with the medical services program.

Sec. 1693. The special Medicaid reimbursement appropriation in part 1 may be increased if the department submits a medical services state plan amendment pertaining to this line item at a level higher than the appropriation. The department is authorized to appropriately adjust financing sources in accordance with the increased appropriation.

Sec. 1694. The department of community health shall distribute $695,000.00 to children's hospitals that have a high indigent care volume. The amount to be distributed to any given hospital shall be based on a formula determined by the department of community health.

Sec. 1697. (1) As may be allowed by federal law or regulation, the department may use funds provided by a local or intermediate school district, which have been obtained from a qualifying health system, as the state match required for receiving federal Medicaid or children health insurance program funds. Any such funds received shall be used only to support new school-based or school-linked health services.

(2) A qualifying health system is defined as any health care entity licensed to provide health care services in the state of Michigan, that has entered into a contractual relationship with a local or intermediate school district to provide or manage school-based or school-linked health services.

Sec. 1699. The department may make separate payments directly to qualifying hospitals serving a disproportionate share of indigent patients in the amount of $50,000,000.00, and to hospitals providing graduate medical education training programs. If direct payment for GME and DSH is made to qualifying hospitals for services to Medicaid clients, hospitals will not include GME costs or DSH payments in their contracts with HMOs.

Sec. 1701. The department shall make available to Medicaid providers and HMOs an online resource that will list enrollment and benefits information for each Medicaid recipient. This resource shall be made available to providers and HMOs at no charge.

Sec. 1710. Any proposed changes by the department to the MIChoice home- and community-based services waiver program screening process shall be provided to the members of the house and senate appropriations subcommittees on community health prior to implementation of the proposed changes.

Sec. 1711. (1) The department shall maintain the 2-tier reimbursement methodology for Medicaid emergency physicians professional services that was in effect on September 30, 2002, subject to the following conditions:

(a) Payments by case and in the aggregate shall not exceed 70% of Medicare payment rates.

(b) Total expenditures for these services shall not exceed the level of total payments made during fiscal year 2001-2002, after adjusting for Medicare copayments and deductibles and for changes in utilization.

(2) To ensure that total expenditures stay within the spending constraints of subsection (1)(b), the department shall develop a utilization adjustor for the basic 2-tier payment methodology. The adjustor shall be based on a good faith estimate by the department as to what the expected utilization of emergency room services will be during fiscal year 2006-2007,

given changes in the number and category of Medicaid recipients. If expenditure and utilization data indicate that the amount and/or type of emergency physician professional services are exceeding the department's estimate, the utilization adjustor shall be applied to the 2-tier reimbursement methodology in such a manner as to reduce aggregate expenditures to the fiscal year 2001-2002 adjusted expenditure target.

(3) The department shall encourage each Medicaid HMO to create a criteria-based emergency room observation rate for Medicaid eligibles with a length of stay of not more than 24 hours.

Sec. 1712. (1) Subject to the availability of funds, the department shall implement a rural health initiative. Available funds shall first be allocated as an outpatient adjustor payment to be paid directly to hospitals in rural counties in proportion to each hospital's Medicaid and indigent patient population. Additional funds, if available, shall be allocated for defibrillator grants, EMT training and support, or other similar programs.

(2) Except as otherwise specified in this section, "rural" means a county, city, village, or township with a population of not more than 30,000, including those entities if located within a metropolitan statistical area.

Sec. 1713. (1) The department, in conjunction with the Michigan dental association, shall undertake a study to determine the level of participation by Michigan licensed dentists in the state's Medicaid program. The study shall identify the distribution of dentists throughout the state, the volume of Medicaid recipients served by each participating dentist, and areas in the state underserved for dental services.

(2) The study described in subsection (1) shall also include an assessment of what factors may be related to the apparent low participation by dentists in the Medicaid program, and the study shall make recommendations as to how these barriers to participation may be reduced or eliminated.

(3) This study shall be provided to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies no later than April 1, 2007.

Sec. 1716. The department shall seek to maintain a constant enrollment level within the Medicaid adult benefits waiver program throughout fiscal year 2006-2007.

Sec. 1717. (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, 2007, 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. 1718. The department shall provide each Medicaid adult home help beneficiary or applicant with the right to a fair hearing when the department or its agent reduces, suspends, terminates, or denies adult home help services. If the department takes action to reduce, suspend, terminate, or deny adult home help services, it shall provide the beneficiary or applicant with a written notice that states what action the department proposes to take, the reasons for the intended action, the specific regulations that support the action, and an explanation of the beneficiary's or applicant's right to an evidentiary hearing and the circumstances under which those services will be continued if a hearing is requested.

Sec. 1720. The department shall continue its Medicare recovery program.

Sec. 1721. The department shall conduct a review of Medicaid eligibility pertaining to funds prepaid to a nursing home or other health care facility that are subsequently returned to an individual who becomes Medicaid eligible and shall report its findings to the members of the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies not later than May 15, 2007. Included in its report shall be recommendations for policy and procedure changes regarding whether any funds prepaid to a nursing home or other health care facility that are subsequently returned to an individual, after the date of Medicaid eligibility and patient pay amount determination, shall be considered as a countable asset and recommendations for a mechanism for departmental monitoring of those funds.

Sec. 1722. (1) From the funds appropriated in part 1 for special Medicaid reimbursement payments, the department is authorized to make a disproportionate share payment of $33,167,700.00 for health services provided by Hutzel Hospital.

(2) The funding authorized under subsection (1) shall only be expended if the necessary Medicaid matching funds are provided by, or on behalf of, the hospital as allowable state match.

Sec. 1724. The department shall allow licensed pharmacies to purchase injectable drugs for the treatment of respiratory syncytial virus for shipment to physicians' offices to be administered to specific patients. If the affected patients are Medicaid eligible, the department shall reimburse pharmacies for the dispensing of the injectable drugs and reimburse physicians for the administration of the injectable drugs.

Sec. 1725. The department shall continue to work with the department of human services to reduce Medicaid eligibility errors related to basic eligibility requirements and income requirements.

Sec. 1726. Any clinical laboratory performing a creatinine test on a Medicaid client shall report the glomerular filtration rate (eGFR) of the patient and shall report it as a percent of kidney function remaining.

Sec. 1728. The department shall make available to qualifying Medicaid recipients, not based on Medicare guidelines, freestanding, electric, lifting, and transferring devices.

Sec. 1731. (1) Subject to subsection (2), the department shall continue an asset test to determine Medicaid eligibility for individuals who are parents, caretaker relatives, or individuals between the ages of 18 and 21 and who are not required to be covered under federal Medicaid requirements.

(2) Regardless of the results of the asset test established under subsection (1), an individual who is between the ages of 18 and 21 and is not required to be covered under the federal Medicaid requirements is not eligible for the state Medicaid program if his or her parent, parents, or legal guardian has health care coverage for him or her or has access to health care coverage for him or her.

Sec. 1732. The department shall assure that, if proposed modifications to the quality assurance assessment program for nursing homes are not implemented, the projected general fund/general purpose savings shall not be achieved through reductions in nursing home reimbursement rates.

Sec. 1733. The department shall seek additional federal funds to permit the state to provide financial support for electronic prescribing and other health information technology initiatives.

Sec. 1734. The department shall seek federal funds that will permit the state to provide financial incentives for positive health behavior practiced by Medicaid recipients. The structure of this incentive program may be similar to programs in other states that authorize monetary rewards to be deposited in individual accounts for Medicaid recipients who demonstrate positive changes in health behavior.

Sec. 1735. (1) The department shall establish a committee that will attempt to identify possible Medicaid program savings associated with the creation of a preferred provider program or an alternative program for durable medical equipment, prosthetics, and orthotics.

(2) To assure quality and access, the preferred provider program shall involve providers who can offer a broad statewide network of services and who are accredited by the joint commission on accreditation of healthcare organizations or the accreditation commission for health care, inc. and the American board for certification in orthotics and prosthetics.

(3) This committee shall include, at minimum, representatives from each of the contracted Medicaid HMOs, the medical services administration, the Michigan state medical society, the Michigan osteopathic society, the Michigan home health association, the Michigan health and hospital association, and 2 accredited providers.

(4) By April 1, 2007, the committee shall report to the senate and house of representatives subcommittees on community health, the state budget director, and the department on possible durable medical equipment contracting opportunities and anticipated Medicaid program savings.

Sec. 1738. (1) The department shall explore ways to increase the federal disproportionate share hospital cap.

(2) If the disproportionate share hospital cap is increased, the department shall consider increasing funding for county health plans and shall consider disproportionate share hospital payments to trauma centers.

Sec. 1739. The department shall determine the 10 most prevalent and costly ailments affecting Medicaid recipients and shall establish medical outcome targets for each of those ailments. The department may use indicators that recipients are successfully managing chronic disease, measures of recipient compliance with treatment plans, and studies of the proportion of Medicaid providers who follow established best practices in treating chronic disease as possible medical outcome measures. The department shall make bonus payments available to Medicaid HMOs that meet these outcome targets.

Sec. 1740. From the funds appropriated in part 1 for health plan services, the department shall assure that all GME funds are promptly distributed to qualifying hospitals using a methodology developed in consultation with the graduate medical education advisory group. The advisory group shall include representatives of the Michigan health and hospital association and Michigan association of health plans. If the department and the advisory group are unable to reach a consensus on the distribution methodology, the department shall initiate a legislative transfer to transfer the GME funds from health plan services to hospital services and therapy and distribute the GME funds using the mechanism in place for fiscal year 2005-2006.

Sec. 1741. The department shall continue to provide nursing homes the opportunity to receive interim payments upon their request. The department shall make efforts to ensure that the interim payments are as similar to expected cost-settled payments as possible.

Sec. 1742. The department shall allow the retention of $1,000,000.00 in special Medicaid reimbursement funding by any public hospital that meets each of the following criteria:

(a) The hospital participates in the intergovernmental transfers.

(b) The hospital is not affiliated with a university.

(c) The hospital provides surgical services.

(d) The hospital has at least 10,000 Medicaid bed days.

Sec. 1746. Beginning October 1, 2006, the department shall increase the monthly Medicaid personal care supplement by $10.00 to adult foster care facilities and homes for the aged providing personal care services to Medicaid beneficiaries.

Sec. 1747. In order to be reimbursed for adult home help services provided to Medicaid recipients, the matching of adult home help providers with service recipients shall be coordinated by the local county department of human services.

Sec. 1749. Effective September 30, 2007, the department shall require all Medicaid health plans to use the same standard billing formats.

Sec. 1751. The department shall provide a report by April 1, 2007, to the house of representatives and senate appropriations subcommittees on community health and the house and senate fiscal agencies on establishing Medicaid diagnosis related group rates based on fee-for-service and health plan costs.

Sec. 1752. The department shall provide a Medicaid health plan with any information that may assist the Medicaid health plan in determining whether another party may be responsible, in whole or in part, for the payment of health benefits.

Sec. 1753. The department shall take steps to obtain data from auto insurers on insurance payouts for health care claims. If the auto insurers do not voluntarily release the information upon request, the department shall propose legislation to require those insurers to disclose that information upon request. The department shall provide the information received under this section to Medicaid health plans.

Sec. 1756. Not later than March 1, 2007, the department shall establish and implement a specialized case management program to serve the most costly Medicaid beneficiaries who are not enrolled in a health plan and are noncompliant with medical management, including persons with chronic diseases and mental health diagnoses, high prescription drug utilizers, members demonstrating noncompliance with previous medical management, and neonates. The case management program shall, at a minimum, provide a performance payment incentive for physicians who manage the recipient's care and health costs in the most effective way. The department may also develop additional contractual arrangements with 1 or more Medicaid HMOs for the provision of specialized case management services. Contracts with Medicaid HMOs may include provisions requiring collection of data related to Medicaid recipient compliance. Measures of patient compliance may include the proportion of clients who fill their prescriptions, the rate of clients who do not show for scheduled medical appointments, and the proportion of clients who use their medication.

Sec. 1757. The department shall direct the department of human services to obtain proof from all Medicaid recipients that they are legal United States citizens or otherwise legally residing in this country before approving Medicaid eligibility.

Sec. 1758. The department shall submit a report on the number of individuals who receive the emergency services only Medicaid benefit and the annual amount of Medicaid expenditures for this population to the house of representatives and senate appropriations subcommittees on community health and the house and senate fiscal agencies by April 1, 2007.

Sec. 1759. The department shall implement the following policy changes included in the federal deficit reduction act of 2005, Public Law 109-171:

(a) Lengthening the look back policy for asset transfers from 3 to 5 years.

(b) Changing the penalty period to begin the day an individual applies for Medicaid.

(c) Individuals with more than $500,000.00 in home equity do not qualify for Medicaid.

(d) Utilize the Medicaid false claim act, 1977 PA 72, MCL 400.601 to 400.613, to collect an enhanced state share of damages collected from entities that have been successfully prosecuted for filing a fraudulent Medicaid claim.

Sec. 1760. (1) In addition to the funds appropriated in part 1 for the health information technology initiatives, the department shall seek out and apply for federal and private grant funding for health information technology efforts.

(2) The department shall apply for Medicaid transformation grant funds made available in the federal deficit reduction act of 2005, Public Law 109-171, to support health information technology efforts.

Sec. 1761. (1) The department shall distribute all funds recovered by the medical services administration from prior and future Medicaid access to care initiative payments exceeding the hospital upper payment limit for inpatient and outpatient services to hospitals meeting any of the following characteristics:

(a) Is located in a rural county as determined by the most recent United States census or is located in a city, village, or township with a population of not more than 12,000 and in a county with a population of not more than 110,000 as of the official federal 2000 decennial census.

(b) Is a Medicare sole community hospital.

(c) Is a Medicare dependent hospital and rural referral center hospital.

(2) The distribution under subsection (1) shall be based upon each hospital's Medicaid fee-for-service and HMO payments as developed in consultation with rural hospitals and the Michigan health and hospital association.

Sec. 1762. In order to save money, the department shall adopt an Internet-based workflow management tool to streamline administrative functions such as prior authorizations, provider correspondence, provider enrollment, third-party recovery, level of care determinations, claims processing, and provider, interdepartmental, and contractor communication.

Sec. 1763. From the funds appropriated in part 1 for health information technology initiatives, the department shall participate in a pilot project related to the electronic exchange of health information in southeast Michigan and make these funds available through a competitive bid process.

Sec. 1764. The department will annually certify rates paid to Medicaid health plans as being actuarially sound in accordance with federal requirements and will provide a copy of the rate certification and approval immediately to the house of representatives and senate appropriations subcommittees on community health and the house and senate fiscal agencies.

Sec. 1767. The department shall study and evaluate the impact of the change in the way in which the Medicaid program pays pharmacists for prescriptions from average wholesale price to average manufacturer price as required by the federal deficit reduction act of 2005, Public Law 109-171. By March 1, 2007, the department shall submit a report of its study to the senate and house of representatives appropriations subcommittees on community health and the senate and house fiscal agencies. If the department finds that there is a negative impact on the pharmacists, the department shall reexamine the current pharmaceutical dispensing fee structure established under section 1620 and include in the report recommendations and proposals to counter the negative impact of that federal legislation.

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

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2007; to provide for the

expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

Tony Stamas
Thomas M. George
Deborah Cherry
Conferees for the Senate

Bruce Caswell
Roger Kahn
Alma Smith
Conferees for the House

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

Rep. Ward moved pursuant to Joint Rule 9, that the Journal printing requirement be suspended, printed copies of the conference report having been made available to each Member.

The motion prevailed.

The question being on the adoption of the conference report,

The conference report was then adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 890 **Yeas—88**

Accavitti	Drolet	Leland	Sak
Acciavatti	Elsenheimer	Lipsey	Schuitmaker
Adamini	Emmons	Marleau	Shaffer
Amos	Espinoza	Mayes	Sheen
Angerer	Farhat	McConico	Sheltrown
Ball	Garfield	McDowell	Smith, Alma
Baxter	Gillard	Meyer	Smith, Virgil
Bennett	Gleason	Miller	Spade
Bieda	Gonzales	Moolenaar	Stahl
Booher	Gosselin	Moore	Stakoe
Brandenburg	Green	Mortimer	Steil
Brown	Hansen	Murphy	Stewart
Byrnes	Hildenbrand	Newell	Taub
Byrum	Hoogendyk	Nitz	Tobocman
Casperson	Hummel	Nofs	Van Regenmorter
Caswell	Hune	Palmer	Vander Veen
Caul	Hunter	Palsrok	Walker
Cheeks	Jones	Pavlov	Ward
Clack	Kahn	Pearce	Wenke
Condino	Kolb	Proos	Williams
DeRoche	Kooiman	Robertson	Wojno
Donigan	Law, David	Rocca	Zelenko

Nays—18

Anderson	Gaffney	Lemmons, III	Plakas
Clemente	Hood	Lemmons, Jr.	Polidori
Cushingberry	Hopgood	Meisner	Vagnozzi
Dillon	LaJoy	Pastor	Waters
Farrah	Law, Kathleen		

In The Chair: Kooiman

Rep. Ward moved that the bill be given immediate effect.

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

Reps. Waters and Lemmons, III, having reserved the right to explain their nay vote, made the following statement:

"Mr. Speaker and members of the House:

I voted no for the conference report for SB 1083, the Department of Community Health (DCH) Budget, because of a provision that penalizes Detroit-Wayne County Community Mental Health Service Providers by reducing their funding by $15.0 million if they fail to become an authority by October 1, 2006.

It is not the role of the legislature to interfere with local decisions in this regard. All other counties are given the choice of whether or not to incorporate into community health authorities. While provisions in the DCH budget provide incentives to encourage collaboration between coordinating agencies and counties to integrate services and voluntarily incorporate into community health authorities, only Wayne County is singled out and forced to incorporate into an authority, at the risk of loss in funding. As a state legislator, I do not believe this type of provision is proper."

Senate Bill No. 1095, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 3, 6, 11, 11a, 11f, 11g, 11j, 11k, 14, 15, 17a, 17b, 18, 20, 20j, 22a, 22b, 22d, 24, 25a, 26a, 26b, 31a, 31d, 31f, 32c, 32d, 32j, 32*l*, 34, 37, 39a, 41, 41a, 51a, 51c, 51d, 53a, 54, 54a, 56, 57, 61a, 62, 74, 81, 94a, 98, 98b, 99, 101, 105, 105c, 107, 121, 147, 161a, and 167 (MCL 388.1603, 388.1606, 388.1611, 388.1611a, 388.1611f, 388.1611g, 388.1611j, 388.1611k, 388.1614, 388.1615, 388.1617a, 388.1617b, 388.1618, 388.1620, 388.1620j, 388.1622a, 388.1622b, 388.1622d, 388.1624, 388.1625a, 388.1626a, 388.1626b, 388.1631a, 388.1631d, 388.1631f, 388.1632c, 388.1632d, 388.1632j, 388.1632*l*, 388.1634, 388.1637, 388.1639a, 388.1641, 388.1641a, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1654a, 388.1656, 388.1657, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1694a, 388.1698, 388.1698b, 388.1699, 388.1701, 388.1705, 388.1705c, 388.1707, 388.1721, 388.1747, 388.1761a, and 388.1767), sections 3, 6, 11, 11a, 11g, 11j, 15, 18, 20j, 22a, 22b, 22d, 24, 26a, 31d, 32c, 32d, 32j, 37, 39a, 41, 41a, 51c, 51d, 53a, 54, 56, 57, 61a, 62, 74, 81, 94a, 98, 98b, 99, 101, 105, 105c, 107, 147, and 167 as amended and sections 11k, 26b, 31f, 32*l*, and 54a as added by 2005 PA 155, section 11f as amended by 2006 PA 119, section 14 as amended by 1993 PA 336, section 17a as amended by 2005 PA 95, section 17b as amended by 2005 PA 150, section 20 as amended and section 34 as added by 2006 PA 120, sections 25a and 161a as added by 1998 PA 553, section 31a as amended by 2006 PA 121, section 51a as amended by 2006 PA 90, and section 121 as amended by 1995 PA 130, and by adding sections 11m, 22c, 24a, 24c, 29, 31c, 32b, 32m, 54b, 57a, 64, 65, 98c, 99c, 99d, 99e, 99f, 99g, 99h, and 104; and to repeal acts and parts of acts.

The Senate has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The Conference Report was read as follows:

First Conference Report

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

Senate Bill No. 1095, entitled

A bill to amend 1979 PA 94, entitled

"The state school aid act of 1979," by amending sections 3, 6, 11, 11a, 11f, 11g, 11j, 11k, 14, 15, 17a, 17b, 18, 20, 20j, 22a, 22b, 22d, 24, 25a, 26a, 26b, 31a, 31d, 31f, 32c, 32d, 32j, 32k, 32*l*, 39, 39a, 41, 41a, 51a, 51c, 51d, 53a, 54, 54a, 56, 57, 61a, 62, 74, 81, 94a, 98, 98b, 99, 101, 105, 105c, 107, 121, 147, 161a, and 167 (MCL 388.1603, 388.1606, 388.1611, 388.1611a, 388.1611f, 388.1611g, 388.1611j, 388.1611k, 388.1614, 388.1615, 388.1617a, 388.1617b, 388.1618, 388.1620, 388.1620j, 388.1622a, 388.1622b, 388.1622d, 388.1624, 388.1625a, 388.1626a, 388.1626b, 388.1631a, 388.1631d, 388.1631f, 388.1632c, 388.1632d, 388.1632j, 388.1632k, 388.1632*l*, 388.1639, 388.1639a, 388.1641, 388.1641a, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1654a, 388.1656, 388.1657, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1694a, 388.1698, 388.1698b, 388.1699, 388.1701, 388.1705, 388.1705c, 388.1707, 388.1721, 388.1747, 388.1761a, and 388.1767), sections 3, 6, 11, 11a, 11f, 11g, 11j, 15, 18, 20, 20j, 22a, 22b, 22d, 24, 26a, 31a, 31d, 32c, 32d, 32j, 39, 39a, 41, 41a, 51c, 51d, 53a, 54, 56, 57, 61a, 62, 74, 81, 94a, 98, 98b, 99, 101, 105, 105c, 107, 147, and 167 as amended and sections 11k, 26b, 31f, 32*l*, and 54a as added by 2005 PA 155, section 14 as amended by 1993 PA 336, section 17a as amended by 2005 PA 95, section 17b as amended by 2005 PA 150, sections 25a and 161a as added by 1998 PA 553, section 32k as added by 2004 PA 351, section 51a as amended by 2006 PA 90, and section 121 as amended by 1995 PA 130, and by adding sections 11m, 11n, 22c, 22e, 24a, 24c, 29, 31c, 32, 32b, 32m, 34, 34a, 35, 64, 65, 66, 98a, 99c, and 104; and to repeal acts and parts of acts.

Recommends:

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

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

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 3, 6, 11, 11a, 11f, 11g, 11j, 11k, 14, 15, 17a, 17b, 18, 20, 20j, 22a, 22b, 22d, 24, 25a, 26a, 26b, 31a, 31d, 31f, 32c, 32d, 32j, 32*l*, 34, 37, 39a, 41, 41a, 51a, 51c, 51d, 53a, 54, 54a, 56, 57, 61a, 62, 74, 81, 94a, 98, 98b, 99, 101, 105, 105c, 107, 121, 147, 161a, and 167 (MCL 388.1603, 388.1606, 388.1611, 388.1611a, 388.1611f, 388.1611g, 388.1611j, 388.1611k, 388.1614, 388.1615, 388.1617a, 388.1617b, 388.1618, 388.1620, 388.1620j, 388.1622a, 388.1622b, 388.1622d, 388.1624, 388.1625a, 388.1626a, 388.1626b, 388.1631a, 388.1631d, 388.1631f, 388.1632c, 388.1632d, 388.1632j, 388.1632*l*, 388.1634, 388.1637, 388.1639a, 388.1641, 388.1641a, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1654a, 388.1656, 388.1657, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1694a, 388.1698, 388.1698b, 388.1699, 388.1701, 388.1705, 388.1705c, 388.1707, 388.1721, 388.1747, 388.1761a, and 388.1767), sections 3, 6, 11, 11a, 11g, 11j, 15, 18, 20j, 22a, 22b, 22d, 24, 26a, 31d, 32c, 32d, 32j, 37, 39a, 41, 41a, 51c, 51d, 53a, 54, 56, 57, 61a, 62, 74, 81, 94a, 98, 98b, 99, 101, 105, 105c, 107, 147, and 167 as amended and sections 11k, 26b, 31f, 32*l*, and 54a as added by 2005 PA 155, section 11f as amended by 2006 PA 119, section 14 as amended by 1993 PA 336, section 17a as amended by 2005 PA 95, section 17b as amended by 2005 PA 150, section 20 as amended and section 34 as added by 2006 PA 120, sections 25a and 161a as added by 1998 PA 553, section 31a as amended by 2006 PA 121, section 51a as amended by 2006 PA 90, and section 121 as amended by 1995 PA 130, and by adding sections 11m, 22c, 24a, 24c, 29, 31c, 32b, 32m, 54b, 57a, 64, 65, 98c, 99c, 99d, 99e, 99f, 99g, 99h, and 104; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 3. (1) "Average daily attendance", for the purposes of complying with federal law and except as used in section 6(4)(cc) **6(4)(BB)**, means 92% of the membership as defined in section 6(4).

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

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

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

(5) "Department", except in ~~sections 107 and 107b~~ **SECTION 107**, means the department of education.

(6) "District" means a local school district established under the revised school code, a local act school district, or, except in sections 6(4), 6(6), 13, 20, 22a, 23, 31a, 105, and 105c, a public school academy. Except in sections 6(4), 6(6), 13, 20, 22a, 105, and 105c, district also includes a university school.

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

(8) "District superintendent" means the superintendent of a district, the chief administrator of a public school academy, or the chief administrator of a university school.

Sec. 6. (1) "Center program" means a program operated by a district or intermediate district for special education pupils from several districts in programs for ~~the autistically impaired, trainable mentally impaired, severely mentally impaired, severely multiply impaired, hearing impaired, physically and otherwise health impaired, and visually impaired~~ **PUPILS WITH AUTISM SPECTRUM DISORDER, PUPILS WITH SEVERE COGNITIVE IMPAIRMENT, PUPILS WITH MODERATE COGNITIVE IMPAIRMENT, PUPILS WITH SEVERE MULTIPLE IMPAIRMENTS, PUPILS WITH HEARING IMPAIRMENT, PUPILS WITH VISUAL IMPAIRMENT, AND PUPILS WITH PHYSICAL IMPAIRMENT OR OTHER HEALTH IMPAIRMENT**. Programs for ~~emotionally impaired~~ pupils **WITH EMOTIONAL IMPAIRMENT** housed in buildings that do not serve regular education pupils also qualify. Unless otherwise approved by the department, a center program either shall serve all constituent districts within an intermediate district or shall serve several districts with less than 50% of the pupils residing in the operating district. In addition, special education center program pupils placed part-time in noncenter programs to comply with the least restrictive environment provisions of section 612 of part B of the individuals with disabilities education act, 20 USC 1412, may be considered center program pupils for pupil accounting purposes for the time scheduled in either a center program or a noncenter program.

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

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

(4) "Membership", except as otherwise provided in this act, means for a district, public school academy, university school, or intermediate district the sum of the product of .75 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year, plus the product of .25 times the final audited count from the supplemental count day for the immediately preceding school year. All pupil counts used in this subsection are as determined by the department and calculated by adding the number of pupils registered for attendance plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by a subsequent department audit. The amount of the foundation allowance for a pupil in membership is determined under section 20. In making the calculation of membership, all of the following, as applicable, apply to determining the membership of a district, public school academy, university school, or intermediate district:

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

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

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

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

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

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

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

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

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

(*i*) If operations begin before the pupil membership count day for the fiscal year, membership is the average number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year and on the supplemental count day for the current school year, as determined by the department and calculated by adding the number of pupils registered for attendance on the pupil membership count day plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by a subsequent department audit, plus the final audited count from the supplemental count day for the current school year, and dividing that sum by 2.

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

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

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

(*l*) Pupils to be counted in membership shall be not less than 5 years of age on December 1 and less than 20 years of age on September 1 of the school year except a special education pupil who is enrolled and receiving instruction in a special education program or service approved by the department and not having a high school diploma who is less than 26 years of age as of September 1 of the current school year shall be counted in membership.

(m) An individual who has obtained a high school diploma shall not be counted in membership. An individual who has obtained a general educational development (G.E.D.) certificate shall not be counted in membership. An individual

participating in a job training program funded under former section 107a or a jobs program funded under former section 107b, administered by the Michigan strategic fund or the department of labor and economic growth, or participating in any successor of either of those 2 programs, shall not be counted in membership.

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

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

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

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

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

(q) The number of class hours used to calculate full-time equated memberships shall be consistent with section 101(3). In determining full-time equated memberships for pupils who are enrolled in a postsecondary institution, a pupil shall not be considered to be less than a full-time equated pupil solely because of the effect of his or her postsecondary enrollment, including necessary travel time, on the number of class hours provided by the district to the pupil.

(r) Full-time equated memberships for pupils in kindergarten shall be determined by dividing the number of class hours scheduled and provided per year per kindergarten pupil by a number equal to 1/2 the number used for determining full-time equated memberships for pupils in grades 1 to 12. ~~However, beginning in 2006-2007, if a pupil is eligible to enroll in kindergarten but is enrolled in a prekindergarten, developmental kindergarten, or similar class, the pupil shall not be counted as a pupil in membership, and the costs associated with educating the pupil shall instead be reported and reimbursed under section 31b.~~

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

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

(u) If, as a result of a disciplinary action, a district determines through the district's alternative or disciplinary education program that the best instructional placement for a pupil is in the pupil's home **OR OTHERWISE APART FROM THE GENERAL SCHOOL POPULATION**, if that placement is authorized in writing by the district superintendent and district alternative or disciplinary education supervisor, and if the district provides appropriate instruction as described in this subdivision to the pupil at the pupil's home **OR OTHERWISE APART FROM THE GENERAL SCHOOL POPULATION**, the district may count the pupil in membership on a pro rata basis, with the proration based on the number of hours of instruction the district actually provides to the pupil divided by the number of hours specified in subdivision (q) for full-time equivalency. For the purposes of this subdivision, a district shall be considered to be providing appropriate instruction if all of the following are met:

(*i*) The district provides at least 2 nonconsecutive hours of instruction per week to the pupil at the pupil's home **OR OTHERWISE APART FROM THE GENERAL SCHOOL POPULATION** under the supervision of a certificated teacher.

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

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

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

(v) A pupil enrolled in an alternative or disciplinary education program described in section 25 shall be counted in membership in the district or public school academy that expelled the pupil.

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

(x) For a public school academy that has been in operation for at least 2 years and that suspended operations for at least 1 semester and is resuming operations, membership is the sum of the product of .75 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the first pupil membership count day or supplemental count day, whichever is first, occurring after operations resume, plus the product of .25 times the final audited count from the most recent pupil membership count day or supplemental count day that occurred before suspending operations, as determined by the superintendent.

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

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

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

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

~~(aa) For 2005-2006 only, if a pupil who has been evacuated from another state and has relocated in this state due to a natural disaster enrolls in a district within 60 days after the pupil membership count day, the department shall adjust the district's pupil count for the pupil membership count day to include the pupil in the count.~~

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

(BB) ~~(cc)~~ Full-time equated memberships for pupils enrolled in a public school academy that is wholly contained within a county juvenile detention facility shall be considered to be the average daily attendance of pupils enrolled in the public school academy for the immediately preceding fiscal year, as reported by the public school academy and audited by the intermediate district in which the public school academy is located. However, if a public school academy described in this subdivision does not provide definitive information to the auditing intermediate district to support the pupil memberships generated by average daily attendance, then full-time equated memberships for pupils enrolled in that public school academy shall be calculated as otherwise provided under this subsection.

(CC) A PUPIL OF A DISTRICT THAT BEGINS ITS SCHOOL YEAR AFTER LABOR DAY WHO IS ENROLLED IN AN INTERMEDIATE DISTRICT PROGRAM THAT BEGINS BEFORE LABOR DAY SHALL NOT BE CONSIDERED TO BE LESS THAN A FULL-TIME PUPIL SOLELY DUE TO INSTRUCTIONAL TIME SCHEDULED BUT NOT ATTENDED BY THE PUPIL BEFORE LABOR DAY.

(5) "Public school academy" means a public school academy, urban high school academy, or strict discipline academy operating under the revised school code.

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

(a) A nonpublic part-time pupil enrolled in grades 1 to 12 in accordance with section 166b.

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

(c) A pupil enrolled in a public school academy or university school.

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

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

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

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

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

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

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

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

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

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

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

(i) A pupil enrolled in the Michigan virtual high school, for the pupil's enrollment in the Michigan virtual high school.

(j) A pupil who is the child of a person who is employed by the district. As used in this subdivision, "child" includes an adopted child**, STEPCHILD,** or legal ward.

However, if a district that is not a first class district educates pupils who reside in a first class district and if the primary instructional site for those pupils is located within the boundaries of the first class district, the educating district must have the approval of the first class district to count those pupils in membership. As used in this subsection, "first class district" means a district organized as a school district of the first class under the revised school code.

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

(a) Except as provided in subdivision (b), the fourth Wednesday ~~in September each school year~~ **AFTER LABOR DAY EACH SCHOOL YEAR OR, FOR A DISTRICT OR BUILDING IN WHICH SCHOOL IS NOT IN SESSION ON THAT WEDNESDAY, WITH THE APPROVAL OF THE SUPERINTENDENT, THE IMMEDIATELY FOLLOWING DAY ON WHICH SCHOOL IS IN SESSION IN THE DISTRICT OR BUILDING**.

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

(*i*) Fourth Wednesday in July.

(*ii*) Fourth Wednesday ~~in September~~ **AFTER LABOR DAY**.

(*iii*) Second Wednesday in February.

(*iv*) Fourth Wednesday in April.

(8) "Pupils in grades K to 12 actually enrolled and in regular daily attendance" means pupils in grades K to 12 in attendance and receiving instruction in all classes for which they are enrolled on the pupil membership count day or the supplemental count day, as applicable. Except as otherwise provided in this subsection, a pupil who is absent from any of the classes in which the pupil is enrolled on the pupil membership count day or supplemental count day and who does not attend each of those classes during the 10 consecutive school days immediately following the pupil membership count day or supplemental count day, except for a pupil who has been excused by the district, shall not be counted as 1.0 full-time equated membership. A pupil who is excused from attendance on the pupil membership count day or supplemental count day and who fails to attend each of the classes in which the pupil is enrolled within 30 calendar days after the pupil membership count day or supplemental count day shall not be counted as 1.0 full-time

equated membership. In addition, a pupil who was enrolled and in attendance in a district, intermediate district, or public school academy before the pupil membership count day or supplemental count day of a particular year but was expelled **OR SUSPENDED** on the pupil membership count day or supplemental count day shall only be counted as 1.0 full-time equated membership if the pupil resumed attendance in the district, intermediate district, or public school academy within 45 days after the pupil membership count day or supplemental count day **OF THAT PARTICULAR YEAR**. Pupils not counted as 1.0 full-time equated membership due to an absence from a class shall be counted as a prorated membership for the classes the pupil attended. For purposes of this subsection, "class" means a period of time in 1 day when pupils and a certificated teacher or legally qualified substitute teacher are together and instruction is taking place.

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

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

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

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

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

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

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

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

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

(18) "Textbook" means a book that is selected and approved by the governing board of a district and that contains a presentation of principles of a subject, or that is a literary work relevant to the study of a subject required for the use of classroom pupils, or another type of course material that forms the basis of classroom instruction.

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

(20) "University school" means an instructional program operated by a public university under section 23 that meets the requirements of section 23.

Sec. 11. (1) ~~For the fiscal year ending September 30, 2005, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of $10,907,222,200.00 from the state school aid fund established by section 11 of article IX of the state constitution of 1963, the sum of $41,100,000.00 from the proceeds of capitalization of the school bond loan fund revolving fund, and the sum of $165,200,000.00 from the general fund.~~ For the fiscal year ending September 30, 2006, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of ~~$11,257,600,000.00~~ **$11,200,813,200.00** from the state school aid fund established by section 11 of article IX of the state constitution of 1963, the sum of $44,500,000.00 from the proceeds of capitalization of the school bond loan fund revolving fund, and the sum of $62,714,000.00 from the general fund. **FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2007, THERE IS APPROPRIATED FOR THE PUBLIC SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION THE SUM OF $11,647,508,200.00 FROM THE STATE SCHOOL AID FUND ESTABLISHED BY SECTION 11 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963 AND THE SUM OF $35,000,000.00 FROM THE GENERAL FUND.** In addition, available federal funds are appropriated for each fiscal year.

(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**,** ~~after 2002-2003,~~ 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, 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. 11a. (1) The school aid stabilization fund is created as a separate account within the state school aid fund established by section 11 of article IX of the state constitution of 1963.

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

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

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

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

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

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

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

(6) If the maximum amount appropriated under section 11 from the state school aid fund for a fiscal year exceeds the amount available for expenditure from the state school aid fund for that fiscal year, there is appropriated from the school aid stabilization fund to the state school aid fund an amount equal to the projected shortfall as determined by the department of treasury, but not to exceed available money in the school aid stabilization fund. If the money in the school aid stabilization fund is insufficient to fully fund an amount equal to the projected shortfall, the state budget director shall notify the legislature as required under section 11(3) and state payments in an amount equal to the remainder of the projected shortfall shall be prorated in the manner provided under section 11(4).

(7) ~~Each school fiscal year for 2004-2005 and for 2005-2006~~ **FOR 2006-2007**, there is transferred from the school aid stabilization fund to the state school aid fund the amount necessary to fully fund the allocations under this act.

Sec. 11f. (1) From the appropriations under section 11, there is allocated for the purposes of this section an amount not to exceed $32,000,000.00 for the fiscal year ending September 30, ~~2006~~ **2007** and for each succeeding fiscal year through the fiscal year ending September 30, 2008. Payments under this section will cease after September 30, 2008. These allocations are for paying the amounts described in subsection (4) to districts and intermediate districts, other than those receiving a lump sum payment under subsection (2), that were not plaintiffs in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492 and that, on or before March 2, 1998, submitted to the state treasurer a board resolution waiving any right or interest the district or intermediate district has or may have in any claim or litigation based on or arising out of any claim or potential claim through September 30, 1997 that is or was similar to the claims asserted by the plaintiffs in the consolidated cases known as Durant v State of Michigan. The waiver resolution shall be in form and substance as required under subsection (7). The state treasurer is authorized to accept such a waiver resolution on behalf of this state. The amounts described in this subsection represent offers of settlement and compromise of any claim or claims that were or could have been asserted by these districts and intermediate districts, as described in this subsection.

(2) In addition to any other money appropriated under this act, there was appropriated from the state school aid fund an amount not to exceed $1,700,000.00 for the fiscal year ending September 30, 1999. This appropriation was for paying the amounts described in this subsection to districts and intermediate districts that were not plaintiffs in the consolidated cases known as Durant v State of Michigan; that, on or before March 2, 1998, submitted to the state treasurer a board resolution waiving any right or interest the district or intermediate district had or may have had in any claim or litigation based on or arising out of any claim or potential claim through September 30, 1997 that is or was similar to the claims asserted by the plaintiffs in the consolidated cases known as Durant v State of Michigan; and for which the total amount listed in section 11h and paid under this section was less than $75,000.00. For a district or intermediate district qualifying for a payment under this subsection, the entire amount listed for the district or intermediate district in section 11h was paid in a lump sum on November 15, 1998 or on the next business day following that date. The amounts paid under this subsection represent offers of settlement and compromise of any claim or claims that were or could have been asserted by these districts and intermediate districts, as described in this subsection.

(3) This section does not create any obligation or liability of this state to any district or intermediate district that does not submit a waiver resolution described in this section. This section, any other provision of this act, and section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, are not intended to admit liability or waive any defense that is or would be available to this state or its agencies, employees, or agents in any litigation or future litigation with a district or intermediate district.

(4) The amount paid each fiscal year to each district or intermediate district under subsection (1) shall be 1/20 of the total amount listed in section 11h for each listed district or intermediate district that qualifies for a payment under subsection (1). The amounts listed in section 11h and paid in part under this subsection and in a lump sum under subsection (2) are offers of settlement and compromise to each of these districts or intermediate districts to resolve, in their entirety, any claim or claims that these districts or intermediate districts may have asserted for violations of section 29 of article IX of the state constitution of 1963 through September 30, 1997, which claims are or were similar to the claims asserted by the plaintiffs in the consolidated cases known as Durant v State of Michigan. This section, any other provision of this act, and section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, shall not be construed to constitute an admission of liability to the districts or intermediate districts listed in section 11h or a waiver of any defense that is or would have been available to the state or its agencies, employees, or agents in any litigation or future litigation with a district or intermediate district.

(5) The entire amount of each payment under subsection (1) each fiscal year shall be paid on November 15 of the applicable fiscal year or on the next business day following that date.

(6) Funds paid to a district or intermediate district under this section shall be used only for textbooks, electronic instructional material, software, technology, infrastructure or infrastructure improvements, school buses, school security, training for technology, an early intervening program described in subsection (8), or to pay debt service on voter-approved bonds issued by the district or intermediate district before the effective date of this section. For intermediate districts only, funds paid under this section may also be used for other nonrecurring instructional expenditures including, but not limited to, nonrecurring instructional expenditures for vocational education, or for debt service for acquisition of technology for academic support services. Funds received by an intermediate district under this section may be used for projects conducted for the benefit of its constituent districts at the discretion of the intermediate board. To the extent payments under this section are used by a district or intermediate district to pay debt service on debt payable from millage revenues, and to the extent permitted by law, the district or intermediate district may make a corresponding reduction in the number of mills levied for that debt service.

(7) The resolution to be adopted and submitted by a district or intermediate district under this section and section 11g shall read as follows:

"Whereas, the board of _____ (name of district or intermediate district) desires to settle and compromise, in their entirety, any claim or claims that the district (or intermediate district) has or had for violations

of section 29 of article IX of the state constitution of 1963, which claim or claims are or were similar to the claims asserted by the plaintiffs in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492.

Whereas, the district (or intermediate district) agrees to settle and compromise these claims for the consideration described in sections 11f and 11g of the state school aid act of 1979, 1979 PA 94, MCL 388.1611f and 388.1611g, and in the amount specified for the district (or intermediate district) in section 11h of the state school aid act of 1979, 1979 PA 94, MCL 388.1611h.

Whereas, the board of _____ (name of district or intermediate district) is authorized to adopt this resolution.

Now, therefore, be it resolved as follows:

1. The board of _____ (name of district or intermediate district) waives any right or interest it may have in any claim or potential claim through September 30, 1997 relating to the amount of funding the district or intermediate district is, or may have been, entitled to receive under the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, or any other source of state funding, by reason of the application of section 29 of article IX of the state constitution of 1963, which claims or potential claims are or were similar to the claims asserted by the plaintiffs in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492.

2. The board of _____ (name of district or intermediate district) directs its secretary to submit a certified copy of this resolution to the state treasurer no later than 5 p.m. eastern standard time on March 2, 1998, and agrees that it will not take any action to amend or rescind this resolution.

3. The board of _____ (name of district or intermediate district) expressly agrees and understands that, if it takes any action to amend or rescind this resolution, the state, its agencies, employees, and agents shall have available to them any privilege, immunity, and/or defense that would otherwise have been available had the claims or potential claims been actually litigated in any forum.

4. This resolution is contingent on continued payments by the state each fiscal year as determined under sections 11f and 11g of the state school aid act of 1979, 1979 PA 94, MCL 388.1611f and 388.1611g. However, this resolution shall be an irrevocable waiver of any claim to amounts actually received by the school district or intermediate school district under sections 11f and 11g of the state school aid act of 1979.".

(8) An early intervening program that uses funds received under this section shall meet either or both of the following:

(a) Shall monitor individual pupil learning for pupils in grades K to 3 and provide specific support or learning strategies to pupils in grades K to 3 as early as possible in order to reduce the need for special education placement. The program shall include literacy and numeracy supports, sensory motor skill development, behavior supports, instructional consultation for teachers, and the development of a parent/school learning plan. Specific support or learning strategies may include support in or out of the general classroom in areas including reading, writing, math, visual memory, motor skill development, behavior, or language development. These would be provided based on an understanding of the individual child's learning needs.

(b) Shall provide early intervening strategies for pupils in grades K to 3 using school-wide systems of academic and behavioral supports and shall be scientifically research-based. The strategies to be provided shall include at least pupil performance indicators based upon response to intervention, instructional consultation for teachers, and ongoing progress monitoring. A school-wide system of academic and behavioral support should be based on a support team available to the classroom teachers. The members of this team could include the principal, special education staff, reading teachers, and other appropriate personnel who would be available to systematically study the needs of the individual child and work with the teacher to match instruction to the needs of the individual child.

Sec. 11g. (1) From the ~~general fund~~ appropriation in section 11, there is allocated for this section an amount not to exceed $34,961,000.00 for the fiscal year ending September 30, ~~2006~~ **2007**. There is allocated for this section an amount not to exceed $35,000,000.00 for each succeeding fiscal year through the fiscal year ending September 30, 2013. Payments under this section will cease after September 30, 2013. These allocations are for paying the amounts described in subsection (3) to districts and intermediate districts, other than those receiving a lump sum payment under section 11f(2), that were not plaintiffs in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492 and that, on or before March 2, 1998, submitted to the state treasurer a waiver resolution described in section 11f. The amounts paid under this section represent offers of settlement and compromise of any claim or claims that were or could have been asserted by these districts and intermediate districts, as described in this section.

(2) This section does not create any obligation or liability of this state to any district or intermediate district that does not submit a waiver resolution described in section 11f. This section, any other provision of this act, and section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, are not intended to admit liability or waive any defense that is or would be available to this state or its agencies, employees, or agents in any litigation or future litigation with a district or intermediate district regarding these claims or potential claims.

(3) The amount paid each fiscal year to each district or intermediate district under this section shall be the sum of the following:

(a) 1/30 of the total amount listed in section 11h for the district or intermediate district.

(b) If the district or intermediate district borrows money and issues bonds under section 11i, an additional amount in each fiscal year calculated by the department of treasury that, when added to the amount described in subdivision (a), will cause the net present value as of November 15, 1998 of the total of the 15 annual payments made to the district or intermediate district under this section, discounted at a rate as determined by the state treasurer, to equal the amount of the bonds issued by that district or intermediate district under section 11i and that will result in the total payments made to all districts and intermediate districts in each fiscal year under this section being no more than the amount appropriated under this section in each fiscal year.

(4) The entire amount of each payment under this section each fiscal year shall be paid on May 15 of the applicable fiscal year or on the next business day following that date. If a district or intermediate district borrows money and issues bonds under section 11i, the district or intermediate district shall use funds received under this section to pay debt service on bonds issued under section 11i. If a district or intermediate district does not borrow money and issue bonds under section 11i, the district or intermediate district shall use funds received under this section only for the following purposes, in the following order of priority:

(a) First, to pay debt service on voter-approved bonds issued by the district or intermediate district before the effective date of this section.

(b) Second, to pay debt service on other limited tax obligations.

(c) Third, for deposit into a sinking fund established by the district or intermediate district under the revised school code.

(5) To the extent payments under this section are used by a district or intermediate district to pay debt service on debt payable from millage revenues, and to the extent permitted by law, the district or intermediate district may make a corresponding reduction in the number of mills levied for debt service.

(6) A district or intermediate district may pledge or assign payments under this section as security for bonds issued under section 11i, but shall not otherwise pledge or assign payments under this section.

Sec. 11j. From the appropriation in section 11**,** ~~from the proceeds of capitalization of the school bond loan fund revolving fund,~~ there is allocated an amount not to exceed ~~$41,100,000.00 for 2004-2005, and there is allocated an amount not to exceed $44,500,000.00 for 2005-2006,~~ **$48,000,000.00 FOR 2006-2007** 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. 11k. For ~~2004-2005 and 2005-2006~~ **2006-2007**, there is appropriated from the general fund to the school loan revolving fund an amount equal to the amount of school bond loans assigned to the Michigan municipal bond authority, not to exceed the total amount of school bond loans held in reserve as long-term assets. As used in this section, "school loan revolving fund" means that fund created in section 16c of the shared credit rating act, 1985 PA 227, MCL 141.1066c.

SEC. 11M. FROM THE APPROPRIATIONS IN SECTION 11, THERE IS ALLOCATED FOR 2006-2007 AN AMOUNT NOT TO EXCEED $22,800,000.00 FOR FISCAL YEAR CASH-FLOW BORROWING COSTS SOLELY RELATED TO THE STATE SCHOOL AID FUND ESTABLISHED BY SECTION 11 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963.

Sec. 14. If the ~~returns~~ **DATA** from an intermediate district or district upon which a statement of the amount to be disbursed or paid are **DETERMINED TO BE** defective **OR INCOMPLETE**, making it impracticable to ascertain the apportionment to be disbursed or paid, the department shall withhold the amount of the apportionment that cannot be ascertained until the department is able to ascertain by the best evidence available the facts upon which the ratio and amount of the apportionment depend, and then shall make the apportionment accordingly.

Sec. 15. (1) If a district or intermediate district fails to receive its proper apportionment, the department, upon satisfactory proof that the district or intermediate district was entitled justly, shall apportion the deficiency in the next apportionment. Subject to subsections (2) and (3), if a district or intermediate district has received more than its proper apportionment, the department, upon satisfactory proof, shall deduct the excess in the next apportionment. Notwithstanding any other provision in this act, state aid overpayments to a district, other than overpayments in payments for special education or special education transportation, may be recovered from any payment made under this act other than a special education or special education transportation payment. State aid overpayments made in special education or special education transportation payments may be recovered from subsequent special education or special education transportation payments.

(2) If the result of an audit conducted by or for the department affects the current fiscal year membership, affected payments shall be adjusted in the current fiscal year. A deduction due to an adjustment made as a result of an audit conducted by or for the department, or as a result of information obtained by the department from the district, an intermediate district, the department of treasury, or the office of auditor general, shall be deducted from the district's apportionments within the next fiscal year after the fiscal year in which the adjustment is finalized. At the request of

the district and upon the district presenting evidence satisfactory to the department of the hardship, the department may grant up to an additional 4 years for the adjustment if the district would otherwise experience a significant hardship.

(3) If, because of the receipt of new or updated data, the department determines during a fiscal year that the amount paid to a district or intermediate district under this act for a prior fiscal year was incorrect under the law in effect for that year, the department may make the appropriate deduction or payment in the district's or intermediate district's allocation for the fiscal year in which the determination is made. The deduction or payment shall be calculated according to the law in effect in the fiscal year in which the improper amount was paid.

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

(5) In addition to funds appropriated in section 11 for all programs and services, there is appropriated each fiscal year for ~~2004-2005 and~~ 2005-2006 **AND 2006-2007** for ~~prior year~~ obligations in excess of applicable ~~prior year~~ appropriations, an amount equal to the collection of ~~prior year~~ overpayments, but not to exceed amounts available from ~~prior year~~ overpayments.

Sec. 17a. (1) The department may withhold all or part of any payment that a district or intermediate district is entitled to receive under this act to the extent the withholdings are a component part of a plan, developed and implemented pursuant to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, or other statutory authority, for financing an outstanding obligation upon which the district or intermediate district defaulted. Amounts withheld shall be used to pay, on behalf of the district or intermediate district, unpaid amounts or subsequently due amounts, or both, of principal and interest on the outstanding obligation upon which the district or intermediate district defaulted.

(2) The state treasurer may withhold all or part of any payment that a district or intermediate district is entitled to receive under this act to the extent authorized or required under section 15 of the school bond qualification, approval, and loan act**, 2005 PA 92, MCL 388.1935**.

(3) Under an agreement entered into by a district or intermediate district assigning all or a portion of the payment that it is eligible to receive under this act to the Michigan municipal bond authority or to the trustee of a pooled arrangement or pledging the amount for payment of an obligation it incurred with the Michigan municipal bond authority or with the trustee of a pooled arrangement, the state treasurer shall transmit to the Michigan municipal bond authority or a trustee designated by the authority or to the trustee of a pooled arrangement the amount of the payment that is assigned or pledged under the agreement. Notwithstanding the payment dates prescribed by this act for distributions under this act, the state treasurer may advance all or part of a payment that is dedicated for distribution or for which the appropriation authorizing the payment has been made if and to the extent, under the terms of an agreement entered into by a district or intermediate district and the Michigan municipal bond authority, the payment that the district or intermediate district is eligible to receive has been assigned to or pledged for payment of an obligation it incurred with the Michigan municipal bond authority. This subsection does not require the state to make an appropriation to any school district or intermediate school district and shall not be construed as creating an indebtedness of the state, and any agreement made pursuant to this subsection shall contain a statement to that effect. As used in this subsection, "trustee of a pooled arrangement" means the trustee of a trust approved by the state treasurer and, subject to the conditions and requirements of that approval, established for the purpose of offering for sale, as part of a pooled arrangement, certificates representing undivided interests in notes issued by districts or intermediate districts under section 1225 of the revised school code, 1976 PA 451, MCL 380.1225. If a trustee applies to the state treasurer for approval of a trust for the purposes of this subsection, the state treasurer shall approve or disapprove the trust within 10 days after receipt of the application.

Sec. 17b. (1) Not later than October 20, November 20, December 20, January 20, February 20, March 20, April 20, May 20, June 20, July 20, and August 20, the department shall prepare ~~a statement~~ **ELECTRONIC FILES** of the amount to be distributed under this act in the installment to the districts and intermediate districts and deliver the ~~statement~~ **ELECTRONIC FILES** to the state treasurer, and the state treasurer shall pay the installments on each of those dates or, if the date is not a business day, on the immediately preceding business day before that date. Except as otherwise provided in this act, the portion of the district's or intermediate district's state fiscal year entitlement to be included in each installment shall be 1/11. A district or intermediate district shall accrue the payments received in July and August to the school fiscal year ending the immediately preceding June 30.

(2) The state treasurer shall make payment under this section by drawing a warrant in favor of the treasurer of each district or intermediate district for the amount payable to the district or intermediate district according to the ~~statement~~ **ELECTRONIC FILES** and delivering the warrant to the treasurer of each district or intermediate district, or if the state treasurer receives a written request by the treasurer of the district or intermediate district specifying an account, by electronic funds transfer to that account of the amount payable to the district or intermediate district according to the ~~statement~~ **ELECTRONIC FILES**. The department may make adjustments in payments made under this section through additional payments when changes in law or errors in computation cause the regularly scheduled payment to be less than the amount to which the district or intermediate district is entitled pursuant to this act.

(3) Except as otherwise provided in this act, grant payments **TO DISTRICTS AND INTERMEDIATE DISTRICTS** under this act shall be paid according to subsection (1).

(4) Upon the written request of a district or intermediate district and the submission of proof satisfactory to the department of a need of a temporary and nonrecurring nature, the superintendent, with the written concurrence of the state treasurer and the state budget director, may authorize an advance release of funds due a district or intermediate district under this act. An advance authorized under this subsection shall not cause funds to be paid to a district or intermediate district more than 30 days earlier than the established payment date for those funds.

Sec. 18. (1) Except as provided in another section of this act, each district or other entity shall apply the money received by the district or entity under this act to salaries and other compensation of teachers and other employees, tuition, transportation, lighting, heating, ventilation, water service, the purchase of textbooks which are designated by the board to be used in the schools under the board's charge, other supplies, and any other school operating expenditures defined in section 7. However, not more than 20% of the total amount received by a district under article 2 or intermediate district under article 8 may be transferred by the board to either the capital projects fund or to the debt retirement fund for debt service. The money shall not be applied or taken for a purpose other than as provided in this section. The department shall determine the reasonableness of expenditures and may withhold from a recipient of funds under this act the apportionment otherwise due for the fiscal year following the discovery by the department of a violation by the recipient.

(2) WITHIN 30 DAYS AFTER A BOARD OR INTERMEDIATE BOARD ADOPTS ITS ANNUAL OPERATING BUDGET FOR THE FOLLOWING SCHOOL FISCAL YEAR, OR AFTER A BOARD OR INTERMEDIATE BOARD ADOPTS A SUBSEQUENT REVISION TO THAT BUDGET, THE DISTRICT OR INTERMEDIATE DISTRICT SHALL MAKE THE BUDGET AND SUBSEQUENT BUDGET REVISIONS AVAILABLE ON ITS WEBSITE, OR A DISTRICT MAY MAKE THE INFORMATION AVAILABLE ON ITS INTERMEDIATE DISTRICT'S WEBSITE, IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT.

(3) ~~(2)~~ For the purpose of determining the reasonableness of expenditures and whether a violation of this act has occurred, the department shall require that each district and intermediate district have an audit of the district's or intermediate district's financial and pupil accounting records conducted at least annually at the expense of the district or intermediate district, as applicable, by a certified public accountant or by the intermediate district superintendent, as may be required by the department, or in the case of a district of the first class by a certified public accountant, the intermediate superintendent, or the auditor general of the city. An intermediate district's annual financial audit shall be accompanied by the intermediate district's pupil accounting procedures report. A district's or intermediate district's annual financial audit shall include an analysis of the financial and pupil accounting data used as the basis for distribution of state school aid. The pupil accounting records and reports, audits, and management letters are subject to requirements established in the auditing and accounting manuals approved and published by the department. Except as otherwise provided in this subsection, a district shall file the annual financial audit reports with the intermediate district not later than 120 days after the end of each school fiscal year and the intermediate district shall forward the annual financial audit reports for its constituent districts and for the intermediate district, and the pupil accounting procedures report for the pupil membership count day and supplemental count day, to the department not later than November 15 of each year. The annual financial audit reports and pupil accounting procedures reports shall be available to the public in compliance with the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246. Not later than December 1 of each year, the department shall notify the state budget director and the legislative appropriations subcommittees responsible for review of the school aid budget of districts and intermediate districts that have not filed an annual financial audit and pupil accounting procedures report required under this section for the school year ending in the immediately preceding fiscal year.

(4) ~~(3)~~ By November 15 of each year, each district and intermediate district shall submit to the center, in a manner prescribed by the center, annual comprehensive financial data consistent with accounting manuals and charts of accounts approved and published by the department. Effective with the report due on November 15, 2006, for an intermediate district, the report shall also contain the website address where the department can access the report required under section 620 of the revised school code, MCL 380.620.

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

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

(7) ~~(6) Not later than July 1, 1999, the department shall approve and publish pupil accounting and pupil auditing manuals.~~ The department shall review ~~those~~ **ITS PUPIL ACCOUNTING AND PUPIL AUDITING** manuals at least annually and shall periodically update those manuals to reflect changes in this act. ~~The pupil accounting manuals in effect for the 1996-97 school year, including subsequent revisions issued by the superintendent, shall be the interim manuals in effect until new manuals are approved and published. However, the clarification of class-by-class accounting provided in the department's April 15, 1998 memorandum on pupil accounting procedures shall be excluded from the interim manuals.~~

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

(9) ~~(8)~~ If a district or intermediate district does not comply with subsection ~~(2),~~ (3), (4), ~~or~~ (5), **OR (6),** the department shall withhold all state school aid due to the district or intermediate district under this act, beginning with the next payment due to the district or intermediate district, until the district or intermediate district complies with subsections ~~(2),~~ (3), (4), ~~and~~ (5)**, AND (6)**. If the district or intermediate district does not comply with subsections ~~(2),~~ (3), (4), ~~and~~ (5)**, AND (6)** by the end of the fiscal year, the district or intermediate district forfeits the amount withheld.

Sec. 20. (1) For 2005-2006, the basic foundation allowance is $6,875.00. **FOR 2006-2007, THE BASIC FOUNDATION ALLOWANCE IS $7,085.00.**

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

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

(a) Except as otherwise provided in this subsection, for a district that in the immediately preceding state fiscal year had a foundation allowance in an amount at least equal to the amount of the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year in the basic foundation allowance. However, for 2002-2003, the foundation allowance for a district under this subdivision is an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus $200.00.

(b) For a district that in the 1994-95 state fiscal year had a foundation allowance greater than $6,500.00, the district's foundation allowance is an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the lesser of the increase in the basic foundation allowance for the current state fiscal year, as compared to the immediately preceding state fiscal year, or the product of the district's foundation allowance for the immediately preceding state fiscal year times the percentage increase in the United States consumer price index in the calendar year ending in the immediately preceding fiscal year as reported by the May revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b. For 2002-2003, for a district that in the 1994-95 state fiscal year had a foundation allowance greater than $6,500.00, the district's foundation allowance is an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the lesser of $200.00 or the product of the district's foundation allowance for the immediately preceding state fiscal year times the percentage increase in the United States consumer price index in the calendar year ending in the immediately preceding fiscal year as reported by the May revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b.

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

(d) For a district that received a payment under ~~former~~ section 22c **AS THAT SECTION WAS IN EFFECT** for 2001-2002, the district's 2001-2002 foundation allowance shall be considered to have been an amount equal to the sum of the district's actual 2001-2002 foundation allowance as otherwise calculated under this section plus the per pupil amount of the district's equity payment for 2001-2002 under ~~former~~ section 22c **AS THAT SECTION WAS IN EFFECT FOR 2001-2002**.

(E) IT IS THE INTENT OF THE LEGISLATURE THAT BEGINNING IN 2007-2008, FOR A DISTRICT THAT RECEIVES A PAYMENT UNDER SECTION 22C FOR 2006-2007, THE DISTRICT'S 2006-2007 FOUNDATION ALLOWANCE SHALL BE CONSIDERED TO HAVE BEEN AN AMOUNT EQUAL TO THE SUM OF THE DISTRICT'S ACTUAL 2006-2007 FOUNDATION ALLOWANCE AS OTHERWISE CALCULATED UNDER THIS SECTION PLUS THE PER PUPIL AMOUNT OF THE DISTRICT'S EQUITY PAYMENT FOR 2006-2007 UNDER SECTION 22C.

(4) Except as otherwise provided in this subsection, the state portion of a district's foundation allowance is an amount equal to the district's foundation allowance or $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 principal residence 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, or the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, divided by the district's membership excluding special education pupils. For a district described in subsection (3)(b), the state portion of the district's foundation allowance is an amount equal to $6,962.00 plus the difference between the district's foundation allowance for the current state fiscal year and the district's foundation allowance for 1998-99, minus the difference between the product of the taxable value per

membership pupil of all property in the district that is not a principal residence 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, or the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, divided by the district's membership excluding special education pupils. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur. The $6,500.00 amount prescribed in this subsection shall be adjusted each year by an amount equal to the dollar amount of the difference between the basic foundation allowance for the current state fiscal year and $5,000.00, minus $200.00.

(5) The allocation calculated under this section for a pupil shall be based on the foundation allowance of the pupil's district of residence. However, for a pupil enrolled in a district other than the pupil's district of residence, if the foundation allowance of the pupil's district of residence has been adjusted pursuant to subsection (19), the allocation calculated under this section shall not include the adjustment described in subsection (19). For a pupil enrolled pursuant to section 105 or 105c in a district other than the pupil's district of residence, the allocation calculated under this section shall be based on the lesser of the foundation allowance of the pupil's district of residence or the foundation allowance of the educating district. For a pupil in membership in a K-5, K-6, or K-8 district who is enrolled in another district in a grade not offered by the pupil's district of residence, the allocation calculated under this section shall be based on the foundation allowance of the educating district if the educating district's foundation allowance is greater than the foundation allowance of the pupil's district of residence. The calculation under this subsection shall take into account a district's per pupil allocation under section 20j(2).

(6) Subject to subsection (7) and section 22b(3) and except as otherwise provided in this subsection, for pupils in membership, other than special education pupils, in a public school academy or a university school, the allocation calculated under this section is an amount per membership pupil other than special education pupils in the public school academy or university school equal to the sum of the local school operating revenue per membership pupil other than special education pupils for the district in which the public school academy or university school is located and the state portion of that district's foundation allowance, or the sum of the basic foundation allowance under subsection (1) plus $300.00, whichever is less. Notwithstanding section 101(2), for a public school academy that begins operations after the pupil membership count day, the amount per membership pupil calculated under this subsection shall be adjusted by multiplying that amount per membership pupil by the number of hours of pupil instruction provided by the public school academy after it begins operations, as determined by the department, divided by the minimum number of hours of pupil instruction required under section 101(3). The result of this calculation shall not exceed the amount per membership pupil otherwise calculated under this subsection.

(7) If more than 25% of the pupils residing within a district are in membership in 1 or more public school academies located in the district, then the amount per membership pupil calculated under this section for a public school academy located in the district shall be reduced by an amount equal to the difference between the product of the taxable value per membership pupil of all property in the district that is not a principal residence 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, or the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, divided by the district's membership excluding special education pupils, in the school fiscal year ending in the current state fiscal year, calculated as if the resident pupils in membership in 1 or more public school academies located in the district were in membership in the district. In order to receive state school aid under this act, a district described in this subsection shall pay to the authorizing body that is the fiscal agent for a public school academy located in the district for forwarding to the public school academy an amount equal to that local school operating revenue per membership pupil for each resident pupil in membership other than special education pupils in the public school academy, as determined by the department.

(8) If a district does not receive an amount calculated under subsection (9); if the number of mills the district may levy on a principal residence and qualified agricultural property under section 1211(1) of the revised school code, MCL 380.1211, is 0.5 mills or less; and if the district elects not to levy those mills, the district instead shall receive a separate supplemental amount calculated under this subsection in an amount equal to the amount the district would have received had it levied those mills, as determined by the department of treasury. A district shall not receive a separate supplemental amount calculated under this subsection for a fiscal year unless in the calendar year ending in the fiscal year the district levies 18 mills or the number of mills of school operating taxes levied by the district in 1993, whichever is less, on property that is not a principal residence or qualified agricultural property.

(9) For a district that had combined state and local revenue per membership pupil in the 1993-94 state fiscal year of more than $6,500.00 and that had fewer than 350 pupils in membership, if the district elects not to reduce the number of mills from which a principal residence and qualified agricultural property are exempt and not to levy school operating

taxes on a principal residence and qualified agricultural property as provided in section 1211(1) of the revised school code, MCL 380.1211, and not to levy school operating taxes on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, there is calculated under this subsection for 1994-95 and each succeeding fiscal year a separate supplemental amount in an amount equal to the amount the district would have received per membership pupil had it levied school operating taxes on a principal residence and qualified agricultural property at the rate authorized for the district under section 1211(1) of the revised school code, MCL 380.1211, and levied school operating taxes on all property at the rate authorized for the district under section 1211(2) of the revised school code, MCL 380.1211, as determined by the department of treasury. If in the calendar year ending in the fiscal year a district does not levy 18 mills or the number of mills of school operating taxes levied by the district in 1993, whichever is less, on property that is not a principal residence or qualified agricultural property, the amount calculated under this subsection will be reduced by the same percentage as the millage actually levied compares to the 18 mills or the number of mills levied in 1993, whichever is less.

(10) Subject to subsection (4), for a district that is formed or reconfigured after June 1, 2002 by consolidation of 2 or more districts or by annexation, the resulting district's foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the average of the foundation allowances of each of the original or affected districts, calculated as provided in this section, weighted as to the percentage of pupils in total membership in the resulting district who reside in the geographic area of each of the original or affected districts. The calculation under this subsection shall take into account a district's per pupil allocation under section 20j(2).

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

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

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

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

(b) The revenue adjustment factor shall be computed by dividing the sum of the estimated total state school aid fund revenue for the subsequent state fiscal year plus the estimated total state school aid fund revenue for the current state fiscal year, adjusted for any change in the rate or base of a tax the proceeds of which are deposited in that fund and excluding money transferred into that fund from the countercyclical budget and economic stabilization fund under section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, by the sum of the estimated total school aid fund revenue for the current state fiscal year plus the estimated total state school aid fund revenue for the immediately preceding state fiscal year, adjusted for any change in the rate or base of a tax the proceeds of which are deposited in that fund. If a consensus revenue factor is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(c) The index shall be calculated by multiplying the pupil membership factor by the revenue adjustment factor. However, for 2005-2006 **AND 2006-2007**, the index shall be 1.00. If a consensus index is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(14) If the principals at the revenue estimating conference reach a consensus on the index described in subsection (13)(c), the basic foundation allowance for the subsequent state fiscal year shall be at least the amount of that consensus index multiplied by the basic foundation allowance specified in subsection (1).

(15) If at the January revenue estimating conference it is estimated that pupil membership, excluding intermediate district membership, for the subsequent state fiscal year will be greater than 101% of the pupil membership, excluding intermediate district membership, for the current state fiscal year, then it is the intent of the legislature that the executive budget proposal for the school aid budget for the subsequent state fiscal year include a general fund/general purpose allocation sufficient to support the membership in excess of 101% of the current year pupil membership.

(16) For a district that had combined state and local revenue per membership pupil in the 1993-94 state fiscal year of more than $6,500.00, that had fewer than 7 pupils in membership in the 1993-94 state fiscal year, that has at least 1 child educated in the district in the current state fiscal year, and that levies the number of mills of school operating taxes authorized for the district under section 1211 of the revised school code, MCL 380.1211, a minimum amount of combined state and local revenue shall be calculated for the district as provided under this subsection. The minimum

amount of combined state and local revenue for 1999-2000 shall be $67,000.00 plus the district's additional expenses to educate pupils in grades 9 to 12 educated in other districts as determined and allowed by the department. The minimum amount of combined state and local revenue under this subsection, before adding the additional expenses, shall increase each fiscal year by the same percentage increase as the percentage increase in the basic foundation allowance from the immediately preceding fiscal year to the current fiscal year. The state portion of the minimum amount of combined state and local revenue under this subsection shall be calculated by subtracting from the minimum amount of combined state and local revenue under this subsection the sum of the district's local school operating revenue and an amount equal to the product of the sum of the state portion of the district's foundation allowance plus the amount calculated under section 20j times the district's membership. As used in this subsection, "additional expenses" means the district's expenses for tuition or fees, not to exceed $6,500.00 as adjusted each year by an amount equal to the dollar amount of the difference between the basic foundation allowance for the current state fiscal year and $5,000.00, minus $200.00, plus a room and board stipend not to exceed $10.00 per school day for each pupil in grades 9 to 12 educated in another district, as approved by the department.

(17) For a district in which 7.75 mills levied in 1992 for school operating purposes in the 1992-93 school year were not renewed in 1993 for school operating purposes in the 1993-94 school year, the district's combined state and local revenue per membership pupil shall be recalculated as if that millage reduction did not occur and the district's foundation allowance shall be calculated as if its 1994-95 foundation allowance had been calculated using that recalculated 1993-94 combined state and local revenue per membership pupil as a base. A district is not entitled to any retroactive payments for fiscal years before 2000-2001 due to this subsection.

(18) For a district in which an industrial facilities exemption certificate that abated taxes on property with a state equalized valuation greater than the total state equalized valuation of the district at the time the certificate was issued or $700,000,000.00, whichever is greater, was issued under 1974 PA 198, MCL 207.551 to 207.572, before the calculation of the district's 1994-95 foundation allowance, the district's foundation allowance for 2002-2003 is an amount equal to the sum of the district's foundation allowance for 2002-2003, as otherwise calculated under this section, plus $250.00.

(19) For a district that received a grant under former section 32e for 2001-2002, the district's foundation allowance for 2002-2003 and each succeeding fiscal year shall be adjusted to be an amount equal to the sum of the district's foundation allowance, as otherwise calculated under this section, plus the quotient of 100% of the amount of the grant award to the district for 2001-2002 under former section 32e divided by the number of pupils in the district's membership for 2001-2002 who were residents of and enrolled in the district. Except as otherwise provided in this subsection, a district qualifying for a foundation allowance adjustment under this subsection shall use the funds resulting from this adjustment for at least 1 of grades K to 3 for purposes allowable under former section 32e as in effect for 2001-2002, and may also use these funds for an early intervening program described in subsection (21). For an individual school or schools operated by a district qualifying for a foundation allowance under this subsection that have been determined by the department to meet the adequate yearly progress standards of the federal no child left behind act of 2001, Public Law 107-110, in both mathematics and English language arts at all applicable grade levels for all applicable subgroups, the district may submit to the department an application for flexibility in using the funds resulting from this adjustment that are attributable to the pupils in the school or schools. The application shall identify the affected school or schools and the affected funds and shall contain a plan for using the funds for specific purposes identified by the district that are designed to reduce class size, but that may be different from the purposes otherwise allowable under this subsection. The department shall approve the application if the department determines that the purposes identified in the plan are reasonably designed to reduce class size. If the department does not act to approve or disapprove an application within 30 days after it is submitted to the department, the application is considered to be approved. If an application for flexibility in using the funds is approved, the district may use the funds identified in the application for any purpose identified in the plan.

~~(20) For a district that is a qualifying school district with a school reform board in place under part 5a of the revised school code, MCL 380.371 to 380.376, the district's foundation allowance for 2002-2003 shall be adjusted to be an amount equal to the sum of the district's foundation allowance, as otherwise calculated under this section, plus the quotient of $15,000,000.00 divided by the district's membership for 2002-2003. If a district ceases to meet the requirements of this subsection, the department shall adjust the district's foundation allowance in effect at that time based on a 2002-2003 foundation allowance for the district that does not include the 2002-2003 adjustment under this subsection. This subsection only applies for 2002-2003, 2003-2004, and 2004-2005. Beginning in 2005-2006, the foundation allowance of a district that received an adjustment under this subsection for those fiscal years shall be calculated as if those adjustments did not occur.~~

(20) ~~(21)~~ An early intervening program that uses funds resulting from the adjustment under subsection (19) shall meet either or both of the following:

(a) Shall monitor individual pupil learning for pupils in grades K to 3 and provide specific support or learning strategies to pupils in grades K to 3 as early as possible in order to reduce the need for special education placement. The program shall include literacy and numeracy supports, sensory motor skill development, behavior supports, instructional consultation for teachers, and the development of a parent/school learning plan. Specific support or learning strategies

may include support in or out of the general classroom in areas including reading, writing, math, visual memory, motor skill development, behavior, or language development. These would be provided based on an understanding of the individual child's learning needs.

(b) Shall provide early intervening strategies for pupils in grades K to 3 using schoolwide systems of academic and behavioral supports and shall be scientifically research-based. The strategies to be provided shall include at least pupil performance indicators based upon response to intervention, instructional consultation for teachers, and ongoing progress monitoring. A schoolwide system of academic and behavioral support should be based on a support team available to the classroom teachers. The members of this team could include the principal, special education staff, reading teachers, and other appropriate personnel who would be available to systematically study the needs of the individual child and work with the teacher to match instruction to the needs of the individual child.

(21) FOR A DISTRICT THAT LEVIED 1.9 MILLS IN 1993 TO FINANCE AN OPERATING DEFICIT, THE DISTRICT'S FOUNDATION ALLOWANCE SHALL BE CALCULATED AS IF THOSE MILLS WERE INCLUDED AS OPERATING MILLS IN THE CALCULATION OF THE DISTRICT'S 1994-1995 FOUNDATION ALLOWANCE. A DISTRICT IS NOT ENTITLED TO ANY RETROACTIVE PAYMENTS FOR FISCAL YEARS BEFORE 2006-2007 DUE TO THIS SUBSECTION. A DISTRICT RECEIVING AN ADJUSTMENT UNDER THIS SUBSECTION SHALL NOT RECEIVE MORE THAN $800,000.00 FOR A FISCAL YEAR AS A RESULT OF THIS ADJUSTMENT.

(22) FOR A DISTRICT THAT LEVIED 2.23 MILLS IN 1993 TO FINANCE AN OPERATING DEFICIT, THE DISTRICT'S FOUNDATION ALLOWANCE SHALL BE CALCULATED AS IF THOSE MILLS WERE INCLUDED AS OPERATING MILLS IN THE CALCULATION OF THE DISTRICT'S 1994-1995 FOUNDATION ALLOWANCE. A DISTRICT IS NOT ENTITLED TO ANY RETROACTIVE PAYMENTS FOR FISCAL YEARS BEFORE 2006-2007 DUE TO THIS SUBSECTION. A DISTRICT RECEIVING AN ADJUSTMENT UNDER THIS SUBSECTION SHALL NOT RECEIVE MORE THAN $500,000.00 FOR A FISCAL YEAR AS A RESULT OF THIS ADJUSTMENT.

(23) ~~(22)~~ Payments to districts, university schools, or public school academies shall not be made under this section. Rather, the calculations under this section shall be used to determine the amount of state payments under section 22b.

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

(25) ~~(24)~~ As used in this section:

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

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

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

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

(e) "Local school operating revenue" means school operating taxes levied under section 1211 of the revised school code, MCL 380.1211.

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

(g) "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.

(h) "Principal residence" and "qualified agricultural property" mean those terms as defined in section 7dd of the general property tax act, 1893 PA 206, MCL 211.7dd.

(i) "School operating purposes" means the purposes included in the operation costs of the district as prescribed in sections 7 and 18.

(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 taxable value, as certified by the department of treasury, for the calendar year ending in the current state fiscal year divided by the district's membership excluding special education pupils for the school year ending in the current state fiscal year.

Sec. 20j. (1) Foundation allowance supplemental payments for ~~2005-2006~~ **2006-2007** to districts that in the 1994-95 state fiscal year had a foundation allowance greater than $6,500.00 shall be calculated under this section.

(2) The per pupil allocation to each district under this section shall be the difference between the dollar amount of the adjustment from the 1998-99 state fiscal year to the current state fiscal year in the basic foundation allowance minus the dollar amount of the adjustment from the 1998-99 state fiscal year to the current state fiscal year in the district's foundation allowance.

(3) If a district's local revenue per pupil does not exceed the sum of its foundation allowance under section 20 plus the per pupil allocation under subsection (2), the total payment to the district calculated under this section shall be the product of the per pupil allocation under subsection (2) multiplied by the district's membership excluding special education pupils. If a district's local revenue per pupil exceeds the foundation allowance under section 20 but does not exceed the sum of the foundation allowance under section 20 plus the per pupil allocation under subsection (2), the total payment to the district calculated under this section shall be the product of the difference between the sum of the foundation allowance under section 20 plus the per pupil allocation under subsection (2) minus the local revenue per pupil multiplied by the district's membership excluding special education pupils. If a district's local revenue per pupil exceeds the sum of the foundation allowance under section 20 plus the per pupil allocation under subsection (2), there is no payment calculated under this section for the district.

(4) Payments to districts shall not be made under this section. Rather, the calculations under this section shall be made and used to determine the amount of state payments under section 22b.

Sec. 22a. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~$6,615,000,000.00 for 2004-2005 and an amount not to exceed $6,459,000,000.00~~ **$6,407,000,000.00** for 2005-2006 **AND AN AMOUNT NOT TO EXCEED $6,207,000,000.00 FOR 2006-2007** 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, or the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, 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, or the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, 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 ~~$2,923,200,000.00 for 2004-2005 and an amount not to exceed $3,197,736,800.00~~ **$3,217,000,000.00** for 2005-2006 **AND AN AMOUNT NOT TO EXCEED $3,584,950,000.00 FOR 2006-2007** 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 ~~administer~~ **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) 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.

(5) 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.

(6) 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 (5) 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).

(7) 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.

(8) 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.

(9) If a lawsuit challenging payments made to districts related to costs reimbursed by federal title XIX medicaid funds is filed against this state**,** ~~during 2001-2002, 2002-2003, or 2003-2004,~~ **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)**.** ~~not previously paid out for 2002-2003, 2003-2004, and each succeeding fiscal year is~~ **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.

SEC. 22C. FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2006-2007 AN AMOUNT NOT TO EXCEED $20,000,000.00 TO MAKE EQUITY PAYMENTS TO DISTRICTS THAT HAVE A FOUNDATION ALLOWANCE OR PER PUPIL PAYMENT CALCULATED UNDER SECTION 20, INCLUDING ANY ADJUSTMENT UNDER SECTION 20(19), FOR 2006-2007 OF LESS THAN $7,360.00. THE EQUITY PAYMENT FOR A DISTRICT SHALL BE AN AMOUNT PER MEMBERSHIP PUPIL EQUAL TO THE LESSER OF $23.00 OR THE DIFFERENCE BETWEEN $7,360.00 AND THE DISTRICT'S 2006-2007 FOUNDATION ALLOWANCE OR PER PUPIL PAYMENT AS CALCULATED UNDER SECTION 20, INCLUDING ANY ADJUSTMENT UNDER SECTION 20(19).

Sec. 22d. (1) From the amount allocated under section 22b, an amount not to exceed $750,000.00 is allocated for ~~2005-2006~~ **2006-2007** 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 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 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 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 and shall be paid to the eligible districts in the same manner as payments under section 22b.

Sec. 24. (1) From the appropriation in section 11, there is allocated for ~~2005-2006~~ **2006-2007** an amount not to exceed $8,000,000.00 for payments to the educating district or intermediate district for educating pupils assigned by a court or the department of human services to reside in or to attend a juvenile detention facility or child caring institution licensed by the department of human services and approved by the department to provide an on-grounds education program. The amount of the payment under this section to a district or intermediate district shall be calculated as prescribed under subsection (2).

(2) ~~For 2005-2006, 70% of the total amount allocated under this section shall be allocated by paying to the educating district or intermediate district an amount equal to the lesser of the district's or intermediate district's added cost or the department's approved per pupil allocation for the district or intermediate district, and 30% of the total amount allocated under this section shall be allocated by paying to the educating district or intermediate district an amount equal to the district's or intermediate district's added cost.~~ For 2006-2007, 80% of the total amount allocated under this section shall be allocated by paying to the educating district or intermediate district an amount equal to the lesser of the district's or intermediate district's added cost or the department's approved per pupil allocation for the district or intermediate district, and 20% of the total amount allocated under this section shall be allocated by paying to the educating district or intermediate district an amount equal to the district's or intermediate district's added cost. For 2007-2008, 90% of the total amount allocated under this section shall be allocated by paying to the educating district or intermediate district an amount equal to the lesser of the district's or intermediate district's added cost or the department's approved per pupil allocation for the district or intermediate district, and 10% of the total amount allocated under this section shall be allocated by paying to the educating district or intermediate district an amount equal to the district's or intermediate district's added cost. Beginning with allocations for 2008-2009, 100% of the total amount allocated under this section shall be allocated by paying to the educating district or intermediate district an amount equal to the lesser of the district's or intermediate district's added cost or the department's approved per pupil allocation for the district or intermediate district. For the purposes of this subsection:

(a) "Added cost" means 100% of the added cost each fiscal year for educating all pupils assigned by a court or the department of human services to reside in or to attend a juvenile detention facility or child caring institution licensed by the department of human services or the department of labor and economic growth and approved by the department to provide an on-grounds education program. Added cost shall be computed by deducting all other revenue received under this act for pupils described in this section from total costs, as approved by the department, in whole or in part, for educating those pupils in the on-grounds education program or in a program approved by the department that is located on property adjacent to a juvenile detention facility or child caring institution. Costs reimbursed by federal funds are not included.

(b) "Department's approved per pupil allocation" for a district or intermediate district shall be determined by dividing the total amount allocated under this section for a fiscal year by the full-time equated membership total for all pupils approved by the department to be funded under this section for that fiscal year for the district or intermediate district.

(3) A district or intermediate district educating pupils described in this section at a residential child caring institution may operate, and receive funding under this section for, a department-approved on-grounds educational program for those pupils that is longer than 181 days, but not longer than 233 days, if the child caring institution was licensed as a child caring institution and offered in 1991-92 an on-grounds educational program that was longer than 181 days but not longer than 233 days and that was operated by a district or intermediate district.

(4) Special education pupils funded under section 53a shall not be funded under this section.

SEC. 24A. FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $3,000,000.00 FOR 2006-2007 FOR PAYMENTS TO INTERMEDIATE DISTRICTS FOR PUPILS WHO ARE PLACED IN JUVENILE JUSTICE SERVICE FACILITIES OPERATED BY THE DEPARTMENT OF HUMAN SERVICES. EACH INTERMEDIATE DISTRICT SHALL RECEIVE AN AMOUNT EQUAL TO THE STATE SHARE OF THOSE COSTS THAT ARE CLEARLY AND DIRECTLY ATTRIBUTABLE TO THE EDUCATIONAL PROGRAMS FOR PUPILS PLACED IN FACILITIES DESCRIBED IN THIS SECTION THAT ARE LOCATED WITHIN THE INTERMEDIATE DISTRICT'S BOUNDARIES. THE INTERMEDIATE DISTRICTS RECEIVING PAYMENTS UNDER THIS SECTION SHALL COOPERATE WITH THE DEPARTMENT OF HUMAN SERVICES TO ENSURE THAT ALL FUNDING ALLOCATED UNDER THIS SECTION IS UTILIZED BY THE INTERMEDIATE DISTRICT AND DEPARTMENT OF HUMAN SERVICES FOR EDUCATIONAL PROGRAMS FOR PUPILS DESCRIBED IN THIS SECTION. PUPILS DESCRIBED IN THIS SECTION ARE NOT ELIGIBLE TO BE FUNDED UNDER SECTION 24. HOWEVER, A PROGRAM RESPONSIBILITY OR OTHER FISCAL RESPONSIBILITY ASSOCIATED WITH THESE PUPILS SHALL NOT BE TRANSFERRED FROM THE DEPARTMENT OF HUMAN SERVICES TO A DISTRICT OR INTERMEDIATE DISTRICT UNLESS THE DISTRICT OR INTERMEDIATE DISTRICT CONSENTS TO THE TRANSFER.

SEC. 24C. FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $1,253,100.00 FOR 2006-2007 FOR PAYMENTS TO DISTRICTS FOR PUPILS WHO ARE ENROLLED IN A NATIONALLY ADMINISTERED COMMUNITY BASED EDUCATION AND YOUTH

MENTORING PROGRAM, KNOWN AS THE YOUTH CHALLENGE PROGRAM, THAT IS LOCATED WITHIN THE DISTRICT AND IS ADMINISTERED BY THE DEPARTMENT OF MILITARY AND VETERAN'S AFFAIRS. A DISTRICT RECEIVING PAYMENTS UNDER THIS SECTION SHALL CONTRACT WITH THE DEPARTMENT OF MILITARY AND VETERAN'S AFFAIRS TO ENSURE THAT ALL FUNDING ALLOCATED UNDER THIS SECTION IS UTILIZED BY THE DISTRICT AND THE DEPARTMENT OF MILITARY AND VETERAN'S AFFAIRS FOR THE YOUTH CHALLENGE PROGRAM.

Sec. 25a. If a pupil described in section ~~6(6)(g)~~ **6(6)(F)** enrolls pursuant to section ~~6(6)(g)~~ **6(6)(F)** during a school year in a district other than the district in which the pupil is counted in membership, the educating district shall report the enrollment information to the department and to the district in which the pupil is counted in membership, and the district in which the pupil is counted in membership shall pay to the educating district an amount equal to the amount of the foundation allowance received by the district in which the pupil is counted in membership, prorated according to the number of days of the school year ending in the fiscal year the pupil is educated in the educating district compared to the number of days of the school year ending in the fiscal year the pupil was actually enrolled in the district in which the pupil is counted in membership. If a district does not make the payment required under this section within 30 days after receipt of the report, the department shall calculate the amount owed, shall deduct that amount from the remaining state school aid payments to the district for that fiscal year under this act, and shall pay that amount to the educating district. The district in which the pupil is counted in membership and the educating district shall provide to the department all information the department requires to enforce this section.

Sec. 26a. From the **STATE SCHOOL AID FUND** appropriation in section 11, there is allocated an amount not to exceed ~~$45,000,000.00~~ **$37,650,000.00** for ~~2005-2006~~ **2006-2007, AND FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $12,550,000.00 FOR 2006-2007** to reimburse districts, intermediate districts, and the state school aid fund pursuant to section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in ~~2005~~ **2006** or for payments to districts as reimbursement for interest paid as a result of property tax refunds. The allocations shall be made not later than 60 days after the department of treasury certifies to the department and to the state budget director that the department of treasury has received all necessary information to properly determine the amounts due to each eligible recipient.

Sec. 26b. (1) ~~Beginning in 2005-2006, there is allocated from~~ **FROM** the general fund appropriation in section 11**, THERE IS ALLOCATED FOR 2006-2007** an amount not to exceed $2,400,000.00 for payments to districts, intermediate districts, and community college districts for the portion of the payment in lieu of taxes obligation that is attributable to districts, intermediate districts, and community college districts pursuant to section 2154 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2154.

(2) If the amount appropriated under this section is not sufficient to fully pay obligations under this section, payments shall be prorated on an equal basis among all eligible districts, intermediate districts, and community college districts.

SEC. 29. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $20,000,000.00 FOR 2006-2007 FOR ADDITIONAL PAYMENTS TO ELIGIBLE DISTRICTS FOR DECLINING ENROLLMENT ASSISTANCE.

(2) A DISTRICT IS ELIGIBLE FOR A PAYMENT UNDER THIS SECTION IF ALL OF THE FOLLOWING APPLY:

(A) THE DISTRICT'S PUPIL MEMBERSHIP FOR THE CURRENT FISCAL YEAR IS LESS THAN THE DISTRICT'S PUPIL MEMBERSHIP FOR THE IMMEDIATELY PRECEDING FISCAL YEAR AND THE DISTRICT'S PUPIL MEMBERSHIP FOR THE IMMEDIATELY PRECEDING FISCAL YEAR IS LESS THAN THE DISTRICT'S PUPIL MEMBERSHIP FOR THE PREVIOUSLY PRECEDING FISCAL YEAR AS CALCULATED UNDER SECTION 6 FOR THAT FISCAL YEAR.

(B) THE DISTRICT'S AVERAGE PUPIL MEMBERSHIP 1 IS GREATER THAN THE DISTRICT'S PUPIL MEMBERSHIP FOR THE CURRENT FISCAL YEAR AS CALCULATED UNDER SECTION 6.

(C) THE DISTRICT IS NOT ELIGIBLE TO RECEIVE FUNDING UNDER SECTIONS 6(4)(Y) OR 22D OF THIS ACT.

(3) PAYMENTS TO EACH ELIGIBLE DISTRICT SHALL BE EQUAL TO THE DIFFERENCE BETWEEN THE DISTRICT'S AVERAGE PUPIL MEMBERSHIP AND THE DISTRICT'S PUPIL MEMBERSHIP AS CALCULATED UNDER SECTION 6 FOR THE CURRENT FISCAL YEAR MULTIPLIED BY THE DISTRICT'S FOUNDATION ALLOWANCE AS CALCULATED UNDER SECTION 20. IF THE TOTAL AMOUNT OF THE PAYMENTS CALCULATED UNDER THIS SUBSECTION EXCEEDS THE ALLOCATION FOR THIS SECTION, THE PAYMENT TO EACH DISTRICT SHALL BE PRORATED ON AN EQUAL PERCENTAGE BASIS.

(4) FOR THE PURPOSES OF THIS SECTION, "AVERAGE PUPIL MEMBERSHIP" MEANS THE AVERAGE OF THE DISTRICT'S MEMBERSHIP FOR THE 3-FISCAL-YEAR PERIOD ENDING WITH THE CURRENT FISCAL YEAR, CALCULATED BY ADDING THE DISTRICT'S ACTUAL MEMBERSHIP FOR EACH OF THOSE 3 FISCAL YEARS, AS OTHERWISE CALCULATED UNDER SECTION 6, AND DIVIDING THE SUM OF THOSE 3 MEMBERSHIP FIGURES BY 3.

Sec. 31a. (1) From the **STATE SCHOOL AID FUND** money appropriated in section 11, there is allocated for ~~2005-2006~~ **2006-2007** an amount not to exceed ~~$314,200,000.00~~ **$319,450,000.00** for payments to eligible districts and eligible public school academies under this section. Subject to subsection ~~(13)~~ **(15)**, the amount of the additional allowance under this section**, OTHER THAN FUNDING UNDER SUBSECTION (6), (7), OR (8),** shall be based on the number of actual pupils in membership in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to ~~1769h~~ **1769I**, and 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. However, for a public school academy that began operations as a public school academy after the pupil membership count day of the immediately preceding school year, the basis for the additional allowance under this section shall be the number of actual pupils in membership in the public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the current state fiscal year, as determined under the Richard B. Russell national school lunch act.

(2) To be eligible to receive funding under this section, other than funding under subsection (6)**, (7), OR (8)**, a district or public school academy that has not been previously determined to be eligible shall apply to the department, in a form and manner prescribed by the department, and a district or public school academy must meet all of the following:

(a) The sum of the district's or public school academy's combined state and local revenue per membership pupil in the current state fiscal year, as calculated under section 20, plus the amount of the district's per pupil allocation under section 20j(2), is less than or equal to $6,500.00 adjusted by the dollar amount of the difference between the basic foundation allowance under section 20 for the current state fiscal year and $5,000.00, minus $200.00.

(b) The district or public school academy agrees to use the funding only for purposes allowed under this section and to comply with the program and accountability requirements under this section.

(3) Except as otherwise provided in this subsection, an eligible district or eligible public school academy shall receive under this section for each membership pupil in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act and as reported to the department by October 31 of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year, an amount per pupil equal to 11.5% of the sum of the district's foundation allowance or public school academy's per pupil amount calculated under section 20, plus the amount of the district's per pupil allocation under section 20j(2), not to exceed $6,500.00 adjusted by the dollar amount of the difference between the basic foundation allowance under section 20 for the current state fiscal year and $5,000.00, minus $200.00, or of the public school academy's per membership pupil amount calculated under section 20 for the current state fiscal year. A public school academy that began operations as a public school academy after the pupil membership count day of the immediately preceding school year shall receive under this section for each membership pupil in the public school academy who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act and as reported to the department by October 31 of the current fiscal year and adjusted not later than December 31 of the current fiscal year, an amount per pupil equal to 11.5% of the public school academy's per membership pupil amount calculated under section 20 for the current state fiscal year.

(4) Except as otherwise provided in this section, a district or public school academy receiving funding under this section shall use that money only to provide instructional programs and direct noninstructional services, including, but not limited to, medical or counseling services, for at-risk pupils; for school health clinics; and for the purposes of subsection (5)**,** ~~or~~ (6)**, (7), OR (8)**. In addition, a district that is organized as a school district of the first class under the revised school code or a district or public school academy in which at least 50% of the pupils in membership met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1), may use not more than 15% of the funds it receives under this section for school security. A district or public school academy shall not use any of that money for administrative costs or to supplant another program or other funds, except for funds allocated to the district or public school academy under this section in the immediately preceding year and already being used by the district or public school academy for at-risk pupils. The instruction or direct noninstructional services provided under this section may be conducted before or after regular school hours or by adding extra school days to the school year and may include, but are not limited to, tutorial services, early childhood programs to serve children age 0 to 5, and reading programs as described in former section 32f as in effect for 2001-2002. A tutorial method may be conducted with paraprofessionals working under the supervision of a certificated teacher. The ratio of pupils to paraprofessionals shall be between 10:1 and 15:1. Only 1 certificated teacher is required to supervise instruction using a tutorial method. As used in this subsection, "to supplant another program" means to take the place of a previously existing instructional program or direct noninstructional services funded from a funding source other than funding under this section.

(5) Except as otherwise provided in subsection ~~(11)~~ **(13)**, a district or public school academy that receives funds under this section and that operates a school breakfast program under section 1272a of the revised school code,

MCL 380.1272a, shall use from the funds received under this section an amount, not to exceed $10.00 per pupil for whom the district or public school academy receives funds under this section, necessary to operate the school breakfast program.

(6) From the funds allocated under subsection (1), there is allocated for ~~2005-2006~~ **2006-2007** an amount not to exceed $3,743,000.00 to support ~~teen~~ **CHILD AND ADOLESCENT** health centers. These grants shall be awarded for ~~3~~ **5** consecutive years beginning with 2003-2004 in a form and manner approved jointly by the department and the department of community health. Each grant recipient shall remain in compliance with the terms of the grant award or shall forfeit the grant award for the duration of the ~~3-year~~ **5-YEAR** period after the noncompliance. Beginning in 2004-2005, to continue to receive funding for a ~~teen~~ **CHILD AND ADOLESCENT** health center under this section a grant recipient shall ensure that the ~~teen~~ **CHILD AND ADOLESCENT** health center has an advisory committee and that at least one-third of the members of the advisory committee are parents or legal guardians of school-aged children. A ~~teen~~ **CHILD AND ADOLESCENT** health center program shall recognize the role of a child's parents or legal guardian in the physical and emotional well-being of the child. **FUNDING UNDER THIS SUBSECTION SHALL BE USED TO SUPPORT CHILD AND ADOLESCENT HEALTH CENTER SERVICES PROVIDED TO CHILDREN UP TO AGE 21.** If any funds allocated under this subsection are not used for the purposes of this subsection for the fiscal year in which they are allocated, those unused funds shall be used that fiscal year to avoid or minimize any proration that would otherwise be required under subsection ~~(13)~~ **(15)** for that fiscal year.

(7) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THERE IS ALLOCATED FOR 2006-2007 AN AMOUNT NOT TO EXCEED $5,150,000.00 FOR THE STATE PORTION OF THE HEARING AND VISION SCREENINGS AS DESCRIBED IN SECTION 9301 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.9301. A LOCAL PUBLIC HEALTH DEPARTMENT SHALL PAY AT LEAST 50% OF THE TOTAL COST OF THE SCREENINGS. THE FREQUENCY OF THE SCREENINGS SHALL BE AS REQUIRED UNDER R 325.13091 TO R 325.13096 AND R 325.3271 TO R 325.3276 OF THE MICHIGAN ADMINISTRATIVE CODE. FUNDS SHALL BE AWARDED IN A FORM AND MANNER APPROVED JOINTLY BY THE DEPARTMENT AND THE DEPARTMENT OF COMMUNITY HEALTH.

(8) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THERE IS ALLOCATED FOR 2006-2007 AN AMOUNT NOT TO EXCEED $100,000.00 FOR PAYMENT TO A DISTRICT THAT IS A SCHOOL DISTRICT OF THE FIRST CLASS UNDER THE REVISED SCHOOL CODE TO SUPPORT AFTER-SCHOOL TUTORING FOR AT-RISK GIRLS IN GRADES 1 TO 8. FUNDS AWARDED UNDER THIS SUBSECTION MAY BE USED TO CONTRACT WITH A NONDISTRICT AGENCY FOR A PROGRAM OR SERVICES DESCRIBED IN THIS SUBSECTION.

(9) ~~(7)~~ Each district or public school academy receiving funds under this section shall submit to the department by July 15 of each fiscal year a report, not to exceed 10 pages, on the usage by the district or public school academy of funds under this section, which report shall include at least a brief description of each program conducted by the district or public school academy using funds under this section, the amount of funds under this section allocated to each of those programs, the number of at-risk pupils eligible for free or reduced price school lunch who were served by each of those programs, and the total number of at-risk pupils served by each of those programs. If a district or public school academy does not comply with this subsection, the department shall withhold an amount equal to the August payment due under this section until the district or public school academy complies with this subsection. If the district or public school academy does not comply with this subsection by the end of the state fiscal year, the withheld funds shall be forfeited to the school aid fund.

(10) ~~(8)~~ In order to receive funds under this section, a district or public school academy shall allow access for the department or the department's designee to audit all records related to the program for which it receives those funds. The district or public school academy shall reimburse the state for all disallowances found in the audit.

(11) ~~(9)~~ Subject to subsections (5), (6), ~~(11), and (12),~~ **(7), (8), (13), AND (14),** any district may use up to 100% of the funds it receives under this section to reduce the ratio of pupils to teachers in grades K-6, or any combination of those grades, in school buildings in which the percentage of pupils described in subsection (1) exceeds the district's aggregate percentage of those pupils. Subject to subsections (5), (6), ~~(11), and (12),~~ **(7), (8), (13), AND (14),** if a district obtains a waiver from the department, the district may use up to 100% of the funds it receives under this section to reduce the ratio of pupils to teachers in grades K-6, or any combination of those grades, in school buildings in which the percentage of pupils described in subsection (1) is at least 60% of the district's aggregate percentage of those pupils and at least 30% of the total number of pupils enrolled in the school building. To obtain a waiver, a district must apply to the department and demonstrate to the satisfaction of the department that the class size reductions would be in the best interests of the district's at-risk pupils.

(12) ~~(10)~~ A district or public school academy may use funds received under this section for adult high school completion, general educational development (G.E.D.) test preparation, adult English as a second language, or adult basic education programs described in section 107.

(13) ~~(11)~~ For an individual school or schools operated by a district or public school academy receiving funds under this section that have been determined by the department to meet the adequate yearly progress standards of the federal

no child left behind act of 2001, Public Law 107-110, in both mathematics and English language arts at all applicable grade levels for all applicable subgroups, the district or public school academy may submit to the department an application for flexibility in using the funds received under this section that are attributable to the pupils in the school or schools. The application shall identify the affected school or schools and the affected funds and shall contain a plan for using the funds for specific purposes identified by the district that are designed to benefit at-risk pupils in the school, but that may be different from the purposes otherwise allowable under this section. The department shall approve the application if the department determines that the purposes identified in the plan are reasonably designed to benefit at-risk pupils in the school. If the department does not act to approve or disapprove an application within 30 days after it is submitted to the department, the application is considered to be approved. If an application for flexibility in using the funds is approved, the district may use the funds identified in the application for any purpose identified in the plan.

(14) ~~(12)~~ A district or public school academy that receives funds under this section may use funds it receives under this section to implement and operate an early intervening program for pupils in grades K to 3 that meets either or both of the following:

(a) Monitors individual pupil learning and provides specific support or learning strategies to pupils as early as possible in order to reduce the need for special education placement. The program shall include literacy and numeracy supports, sensory motor skill development, behavior supports, instructional consultation for teachers, and the development of a parent/school learning plan. Specific support or learning strategies may include support in or out of the general classroom in areas including reading, writing, math, visual memory, motor skill development, behavior, or language development. These would be provided based on an understanding of the individual child's learning needs.

(b) Provides early intervening strategies using school-wide systems of academic and behavioral supports and is scientifically research-based. The strategies to be provided shall include at least pupil performance indicators based upon response to intervention, instructional consultation for teachers, and ongoing progress monitoring. A school-wide system of academic and behavioral support should be based on a support team available to the classroom teachers. The members of this team could include the principal, special education staff, reading teachers, and other appropriate personnel who would be available to systematically study the needs of the individual child and work with the teacher to match instruction to the needs of the individual child.

(15) ~~(13)~~ If necessary, and before any proration required under section 11, the department shall prorate payments under this section by reducing the amount of the per pupil payment under this section by a dollar amount calculated by determining the amount by which the amount necessary to fully fund the requirements of this section exceeds the maximum amount allocated under this section and then dividing that amount by the total statewide number of pupils who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as described in subsection (1).

(16) ~~(14)~~ If a district is formed by consolidation after June 1, 1995, and if 1 or more of the original districts was not eligible before the consolidation for an additional allowance under this section, the amount of the additional allowance under this section for the consolidated district shall be based on the number of pupils described in subsection (1) enrolled in the consolidated district who reside in the territory of an original district that was eligible before the consolidation for an additional allowance under this section.

(17) ~~(15)~~ A district or public school academy that does not meet the eligibility requirement under subsection (2)(a) is eligible for funding under this section if at least 1/4 of the pupils in membership in the district or public school academy met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1), and at least 4,500 of the pupils in membership in the district or public school academy met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1). A district or public school academy that is eligible for funding under this section because the district meets the requirements of this subsection shall receive under this section for each membership pupil in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as determined and reported as described in subsection (1), an amount per pupil equal to 11.5% of the sum of the district's foundation allowance or public school academy's per pupil allocation under section 20, plus the amount of the district's per pupil allocation under section 20j(2), not to exceed $6,500.00 adjusted by the dollar amount of the difference between the basic foundation allowance under section 20 for the current state fiscal year and $5,000.00, minus $200.00.

(18) ~~(16)~~ As used in this section, "at-risk pupil" means a pupil for whom the district has documentation that the pupil meets at least 2 of the following criteria: is a victim of child abuse or neglect; is below grade level in English language and communication skills or mathematics; is a pregnant teenager or teenage parent; is eligible for a federal free or reduced-price lunch subsidy; has atypical behavior or attendance patterns; or has a family history of school failure, incarceration, or substance abuse. For pupils for whom the results of at least the applicable Michigan education assessment program (MEAP) test have been received, at-risk pupil also includes a pupil who does not meet the other criteria under this subsection but who did not achieve at least a score of level 2 on the most recent MEAP English language arts, mathematics, or science test for which results for the pupil have been received. For pupils for whom the results of the Michigan merit examination have been received, at-risk pupil also includes a pupil who does not meet the other criteria

under this subsection but who did not achieve proficiency on the reading component of the most recent Michigan merit examination for which results for the pupil have been received, did not achieve proficiency on the mathematics component of the most recent Michigan merit examination for which results for the pupil have been received, or did not achieve basic competency on the science component of the most recent Michigan merit examination for which results for the pupil have been received. For pupils in grades K-3, at-risk pupil also includes a pupil who is at risk of not meeting the district's core academic curricular objectives in English language arts or mathematics.

SEC. 31C. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $1,875,000.00 FOR 2006-2007 FOR GRANTS TO ELIGIBLE DISTRICTS TO FUND PILOT PROGRAMS DESIGNED TO ADDRESS THE NEEDS OF PUPILS WHOSE PARENT OR PARENTS ARE INCARCERATED. FOR THE PURPOSES OF THIS SECTION, ELIGIBLE DISTRICTS ARE THOSE FOR WHICH THE QUOTIENT OF PUPILS IN MEMBERSHIP ELIGIBLE FOR FREE BREAKFAST, MILK, OR LUNCH AS DETERMINED UNDER THE RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT AND AS REPORTED TO THE DEPARTMENT BY OCTOBER 31, 2005 AND ADJUSTED NOT LATER THAN DECEMBER 31, 2005, DIVIDED BY THE DISTRICT'S CURRENT YEAR MEMBERSHIP IS AT LEAST 0.6.

(2) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, UPON APPROVAL BY THE DEPARTMENT EACH DISTRICT ELIGIBLE FOR FUNDING UNDER THIS SECTION SHALL RECEIVE A GRANT OF $75,000.00. IF THE DISTRICT IS A SCHOOL DISTRICT OF THE FIRST CLASS UNDER THE REVISED SCHOOL CODE, THEN UPON APPROVAL BY THE DEPARTMENT THE DISTRICT SHALL RECEIVE A GRANT OF $150,000.00. A DISTRICT MUST SUBMIT A GRANT APPLICATION INDICATING THE SERVICES TO BE PROVIDED WITH GRANT FUNDS TO THE DEPARTMENT BY NOVEMBER 15, 2006, AND THE DEPARTMENT SHALL NOTIFY ELIGIBLE DISTRICTS OF THEIR GRANT STATUS BY JANUARY 15, 2007. AS PART OF THE PILOT PROGRAM, A DISTRICT AWARDED FUNDING UNDER THIS SECTION SHALL DO AT LEAST ALL OF THE FOLLOWING:

(A) PROVIDE VIDEO CONFERENCING OR AUDIO CONFERENCING OPPORTUNITIES, OR BOTH, BETWEEN A DISTRICT PUPIL AND HIS OR HER INCARCERATED PARENT OR PARENTS ON A REGULAR BASIS.

(B) PROVIDE ACADEMIC OR SOCIAL SUPPORT BY QUALIFIED PERSONS TO PUPILS WHOSE PARENT OR PARENTS ARE INCARCERATED.

(3) IF GRANT FUNDS REMAIN UNALLOCATED AFTER THE DEPARTMENT DETERMINES THE GRANT STATUS OF ELIGIBLE DISTRICTS, THEN THE REMAINING FUNDS SHALL BE DISTRIBUTED TO DISTRICTS APPROVED FOR FUNDING ON AN EQUAL PERCENTAGE BASIS.

(4) NOT LATER THAN NOVEMBER 15, 2007, A DISTRICT THAT RECEIVED A GRANT UNDER THIS SECTION IN 2006-2007 SHALL SUBMIT TO THE DEPARTMENT A SUMMARY OF ACTIVITIES PROVIDED WITH THE GRANT FUNDS, NUMBER OF PUPILS SERVED, AND AN EVALUATION OF WHETHER THE PROGRAM WAS SUCCESSFUL.

Sec. 31d. (1) From the appropriations in section 11, there is allocated an amount not to exceed $22,495,100.00 for ~~2005-2006~~ **2006-2007** for the purpose of making payments to districts and other eligible entities under this section.

(2) The amounts allocated from state sources under this section shall be used to pay the amount necessary to reimburse districts for 6.0127% of the necessary costs of the state mandated portion of the school lunch programs provided by those districts. The amount due to each district under this section shall be computed by the department using the methods of calculation adopted by the Michigan supreme court in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492.

(3) The payments made under this section include all state payments made to districts so that each district receives at least 6.0127% of the necessary costs of operating the state mandated portion of the school lunch program in a fiscal year.

(4) The payments made under this section to districts and other eligible entities that are not required under section 1272a of the revised school code, MCL 380.1272a, to provide a school lunch program shall be in an amount not to exceed $10.00 per eligible pupil plus 5 cents for each free lunch and 2 cents for each reduced price lunch provided, as determined by the department.

(5) From the federal funds appropriated in section 11, there is allocated for ~~2005-2006~~ **2006-2007** all available federal funding, estimated at ~~$303,684,000.00~~ **$320,000,000.00**, for the national school lunch program and all available federal funding, estimated at $2,506,000.00, for the emergency food assistance program.

(6) Notwithstanding section 17b, payments to eligible entities other than districts under this section shall be paid on a schedule determined by the department.

Sec. 31f. **(1)** From the appropriations in section 11, there is allocated an amount not to exceed ~~$0.00 for 2004-2005~~ **$9,625,000.00 FOR 2006-2007** for the purpose of making payments to districts to reimburse for the cost of providing breakfast. ~~The funds appropriated under this section shall be made available to all eligible applicant districts as determined under section 702 of 2004 PA 346.~~

(2) THE FUNDS ALLOCATED UNDER THIS SECTION FOR SCHOOL BREAKFAST PROGRAMS SHALL BE MADE AVAILABLE TO ALL ELIGIBLE APPLICANT DISTRICTS THAT MEET ALL OF THE FOLLOWING CRITERIA:

(A) THE DISTRICT PARTICIPATES IN THE FEDERAL SCHOOL BREAKFAST PROGRAM AND MEETS ALL STANDARDS AS PRESCRIBED BY 7 CFR PARTS 220 AND 245.

(B) EACH BREAKFAST ELIGIBLE FOR PAYMENT MEETS THE FEDERAL STANDARDS DESCRIBED IN SUBDIVISION (A).

(3) THE PAYMENT FOR A DISTRICT UNDER THIS SECTION IS AT A PER MEAL RATE EQUAL TO THE LESSER OF THE DISTRICT'S ACTUAL COST OR 100% OF THE COST OF A BREAKFAST SERVED BY AN EFFICIENTLY OPERATED BREAKFAST PROGRAM AS DETERMINED BY THE DEPARTMENT, LESS FEDERAL REIMBURSEMENT, PARTICIPANT PAYMENTS, AND OTHER STATE REIMBURSEMENT. DETERMINATION OF EFFICIENT COST BY THE DEPARTMENT SHALL BE DETERMINED BY USING A STATISTICAL SAMPLING OF STATEWIDE AND REGIONAL COST AS REPORTED IN A MANNER APPROVED BY THE DEPARTMENT FOR THE PRECEDING SCHOOL YEAR.

SEC. 32B. (1) FROM THE FUNDS APPROPRIATED UNDER SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $1,000,000.00 FOR 2006-2007 FOR COMPETITIVE GRANTS TO INTERMEDIATE DISTRICTS FOR THE CREATION OF GREAT START COMMUNITIES OR OTHER COMMUNITY PURPOSES AS IDENTIFIED BY THE EARLY CHILDHOOD INVESTMENT CORPORATION. THESE DOLLARS MAY NOT BE EXPENDED UNTIL BOTH OF THE FOLLOWING CONDITIONS HAVE BEEN MET:

(A) THE EARLY CHILDHOOD INVESTMENT CORPORATION HAS IDENTIFIED MATCHING DOLLARS OF AT LEAST AN EQUAL AMOUNT.

(B) THE ARTICLES OF INCORPORATION AND BYLAWS OF THE EARLY CHILDHOOD INVESTMENT CORPORATION ARE AMENDED TO INCREASE THE MEMBERSHIP OF THE EXECUTIVE COMMITTEE FROM THE CURRENT 15 MEMBERS TO 19 MEMBERS AND TO SPECIFY THAT 1 MEMBER SHALL BE APPOINTED BY THE SENATE MAJORITY LEADER, 1 MEMBER APPOINTED BY THE SENATE MINORITY LEADER, 1 MEMBER APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, AND 1 MEMBER APPOINTED BY THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES. THE EARLY CHILDHOOD INVESTMENT CORPORATION SHALL NOTIFY EACH OF THESE LEGISLATIVE LEADERS OF THE EFFECTIVE DATE OF THIS CHANGE IN THE ARTICLES OF INCORPORATION AND BYLAWS, AND EACH OF THESE LEGISLATIVE LEADERS SHALL APPOINT A MEMBER NOT LATER THAN 60 DAYS AFTER THAT EFFECTIVE DATE. THEREAFTER, NOT LATER THAN 60 DAYS AFTER THE CONVENING OF EACH LEGISLATIVE SESSION IN EACH ODD NUMBERED YEAR, EACH LEGISLATIVE LEADER SHALL APPOINT A MEMBER OF THE EXECUTIVE COMMITTEE. A MEMBER APPOINTED IN THIS MANNER SHALL CONTINUE TO SERVE ON THE EXECUTIVE COMMITTEE THROUGH THE NEXT REGULAR LEGISLATIVE SESSION UNLESS HE OR SHE VOLUNTARILY RESIGNS OR IS OTHERWISE UNABLE TO SERVE. WHEN A VACANCY OCCURS AS A RESULT OF A VOLUNTARY RESIGNATION OR INABILITY TO SERVE, THE LEGISLATIVE LEADER WHO HAD APPOINTED THE MEMBER SHALL MAKE AN APPOINTMENT TO FILL THAT VACANCY NOT LATER THAN 60 DAYS AFTER THE DATE THE VACANCY OCCURS.

(2) THE EARLY CHILDHOOD INVESTMENT CORPORATION SHALL AWARD GRANTS TO ELIGIBLE INTERMEDIATE DISTRICTS IN AN AMOUNT TO BE DETERMINED BY THE CORPORATION.

(3) IN ORDER TO RECEIVE FUNDING, EACH INTERMEDIATE DISTRICT APPLICANT SHALL AGREE TO CONVENE LOCAL GREAT START COLLABORATIVES TO ADDRESS THE AVAILABILITY OF THE 6 COMPONENTS OF A GREAT START SYSTEM IN ITS COMMUNITIES: PHYSICAL HEALTH, SOCIAL-EMOTIONAL HEALTH, FAMILY SUPPORTS, BASIC NEEDS, ECONOMIC STABILITY AND SAFETY, AND PARENTING EDUCATION AND EARLY EDUCATION AND CARE, TO ENSURE THAT EVERY CHILD IN THE COMMUNITY IS READY FOR KINDERGARTEN. SPECIFICALLY, EACH GRANT WILL FUND THE FOLLOWING:

(A) A COMMUNITY NEEDS ASSESSMENT AND STRATEGIC PLAN FOR THE DEVELOPMENT OF A COMPREHENSIVE SYSTEM OF EARLY CHILDHOOD SERVICES AND SUPPORTS, ACCESSIBLE TO ALL CHILDREN FROM BIRTH TO KINDERGARTEN AND THEIR FAMILIES.

(B) IDENTIFICATION OF LOCAL RESOURCES AND SERVICES FOR CHILDREN WITH DISABILITIES, DEVELOPMENTAL DELAYS, OR SPECIAL NEEDS AND THEIR FAMILIES.

(C) COORDINATION AND EXPANSION OF HIGH-QUALITY EARLY CHILDHOOD AND CHILDCARE PROGRAMS.

(D) EVALUATION OF LOCAL PROGRAMS.

(4) NOT LATER THAN FEBRUARY 1, 2007, THE EARLY CHILDHOOD INVESTMENT CORPORATION SHALL PROVIDE TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON STATE

SCHOOL AID, THE STATE BUDGET DIRECTOR, AND THE HOUSE AND SENATE FISCAL AGENCIES A REPORT DETAILING THE ANTICIPATED EXPENDITURES BY THE CORPORATION, GRANT PURPOSES AND AMOUNTS TO BE DISTRIBUTED, AND ACTIVITIES TO BE SUPPORTED WITH FUNDING UNDER THIS SECTION.

(5) NOT LATER THAN DECEMBER 1, 2007, THE EARLY CHILDHOOD INVESTMENT CORPORATION SHALL PROVIDE TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON STATE SCHOOL AID, THE STATE BUDGET DIRECTOR, AND THE HOUSE AND SENATE FISCAL AGENCIES A REPORT DETAILING THE AMOUNTS OF GRANTS AWARDED UNDER THIS SECTION, THE GRANT RECIPIENTS, THE ACTIVITIES FUNDED BY EACH GRANT UNDER THIS SECTION, AND AN ANALYSIS OF EACH GRANT RECIPIENT'S SUCCESS IN ADDRESSING THE DEVELOPMENT OF A COMPREHENSIVE SYSTEM OF EARLY CHILDHOOD SERVICES AND SUPPORTS.

(6) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION MAY BE MADE PURSUANT TO AN AGREEMENT WITH THE DEPARTMENT.

Sec. 32c. (1) From the general fund appropriation in section 11, there is allocated an amount not to exceed ~~$250,000.00~~ **$1,750,000.00** for ~~2005-2006~~ **2006-2007** to the department for grants for community-based collaborative prevention services designed to promote marriage and foster positive parenting skills; improve parent/child interaction, especially for children 0-3 years of age; promote access to needed community services; increase local capacity to serve families at risk; improve school readiness; and support healthy family environments that discourage alcohol, tobacco, and other drug use. The allocation under this section is to fund secondary prevention programs as defined by the children's trust fund for the prevention of child abuse and neglect.

(2) The funds allocated under subsection (1) shall be distributed through a joint request for proposals process established by the department in conjunction with the children's trust fund and the ~~state's interagency systems reform~~ **INTERAGENCY DIRECTOR'S** workgroup. Projects funded with grants awarded under this section shall meet all of the following:

(a) Be secondary prevention initiatives and voluntary to consumers. This appropriation is not intended to serve the needs of children for whom and families in which neglect or abuse has been substantiated.

(b) Demonstrate that the planned services are part of a community's integrated comprehensive family support strategy endorsed by the ~~local multi-purpose collaborative body~~ **COMMUNITY COLLABORATIVE**.

(c) Provide a 25% local match, of which not more than 10% may be in-kind services, unless this requirement is waived by the interagency ~~systems reform~~ **DIRECTOR'S** workgroup.

(3) Notwithstanding section 17b, payments under this section may be made pursuant to an agreement with the department.

(4) Not later than January 30 of the next fiscal year, the department shall prepare and submit to the governor and the legislature an annual report of outcomes achieved by the providers of the community-based collaborative prevention services funded under this section for a fiscal year.

Sec. 32d. (1) From the state school aid fund money appropriated under section 11, there is allocated an amount not to exceed ~~$72,600,000.00~~ **$78,600,000.00** for ~~2005-2006~~ **2006-2007** for school readiness or preschool and parenting program grants to enable eligible districts, as determined under section 37, to develop or expand, in conjunction with whatever federal funds may be available, including, but not limited to, federal funds under title I of the elementary and secondary education act of 1965, 20 USC 6301 to 6578, chapter 1 of title I of the Hawkins-Stafford elementary and secondary school improvement amendments of 1988, Public Law 100-297, and the head start act, 42 USC 9831 to ~~9852a~~ **9852**, comprehensive compensatory programs designed to do 1 or both of the following:

(a) Improve the readiness and subsequent achievement of educationally disadvantaged children as defined by the department who will be at least 4, but less than 5 years of age, as of December 1 of the school year in which the programs are offered, and who show evidence of 2 or more risk factors as defined in the state board report entitled "children at risk" that was adopted by the state board on April 5, 1988.

(b) Provide preschool and parenting education programs similar to those under former section 32b as in effect for 2001-2002.

(2) A comprehensive compensatory program funded under this section may include an age-appropriate educational curriculum, **AS DESCRIBED IN THE EARLY CHILDHOOD STANDARDS OF QUALITY FOR PREKINDERGARTEN CHILDREN ADOPTED BY THE STATE BOARD, THAT PREPARES CHILDREN FOR SUCCESS IN SCHOOL, INCLUDING LANGUAGE, EARLY LITERACY, AND EARLY MATHEMATICS. IN ADDITION, THE COMPREHENSIVE PROGRAM SHALL INCLUDE** nutritional services, health screening for participating children, a plan for parent and legal guardian involvement, and provision of referral services for families eligible for community social services.

(3) In addition to the allocation under subsection (1), from the general fund money allocated under section 11, there is allocated an amount not to exceed $200,000.00 for ~~2005-2006~~ **2006-2007** for a competitive grant to continue a longitudinal evaluation of children who have participated in the Michigan school readiness program.

(4) A district receiving a grant under this section may contract for the provision of the comprehensive compensatory program and retain for administrative services an amount equal to not more than 5% of the grant amount. A district may expend not more than 10% of the total grant amount for administration of the program.

(5) A grant recipient receiving funds under this section shall report to the department on the midyear report the number of children participating in the program who meet the income or other eligibility criteria specified under section 37(3)(g) and the total number of children participating in the program. For children participating in the program who meet the income or other eligibility criteria specified under section 37(3)(g), grant recipients shall also report whether or not a parent is available to provide care based on employment status. For the purposes of this subsection, "employment status" shall be defined by the department of human services in a manner consistent with maximizing the amount of spending that may be claimed for temporary assistance for needy families maintenance of effort purposes.

Sec. 32j. (1) From the appropriations in section 11, there is allocated an amount not to exceed ~~$3,326,000.00~~ **$5,000,000.00** for ~~2005-2006~~ **2006-2007** for great parents, great start grants to intermediate districts to provide programs for parents with preschool children. The purpose of these programs is to encourage early **MATHEMATICS AND READING** literacy, improve school readiness, reduce the need for special education services, and foster the maintenance of stable families by encouraging positive parenting skills.

(2) To qualify for funding under this section, a program shall provide services to all families with children age 5 or younger residing within the intermediate district who choose to participate, including at least all of the following services:

(a) Providing parents with information on child development from birth to age 5.

(b) Providing parents with methods to enhance parent-child interaction **THAT PROMOTE SOCIAL AND EMOTIONAL DEVELOPMENT FOR INFANTS AND TODDLERS AND AGE-APPROPRIATE LANGUAGE, MATHEMATICS, AND EARLY READING SKILLS**; including, but not limited to, encouraging parents to read to their preschool children at least 1/2 hour per day.

(c) Providing parents with examples of learning opportunities to promote intellectual, physical, and social growth of preschoolers**, INCLUDING THE ACQUISITION OF AGE-APPROPRIATE LANGUAGE, MATHEMATICS, AND EARLY READING SKILLS**.

(d) Promoting access to needed community services through a community-school-home partnership.

(e) Promoting marriage.

(3) To receive a grant under this section, an intermediate district shall submit a plan to the department not later than October 1, ~~2005~~ **2006** in the form and manner prescribed by the department. The plan shall do all of the following in a manner prescribed by the department:

(a) Provide a plan for the delivery of the program components described in subsection (2) that provides for educators trained in child development to help parents understand their role in their child's developmental process, thereby promoting school readiness and mitigating the need for special education services.

(b) Demonstrate an adequate collaboration of local entities involved in providing programs and services for preschool children and their parents.

(c) Provide a projected budget for the program to be funded. The intermediate district shall provide at least a 20% local match from local public or private resources for the funds received under this section. Not more than 1/2 of this matching requirement, up to a total of 10% of the total project budget, may be satisfied through in-kind services provided by participating providers of programs or services. In addition, not more than 10% of the grant may be used for program administration.

(4) Each intermediate district receiving a grant under this section shall agree to include a data collection system approved by the department. The data collection system shall provide a report by October 15 of each year on the number of children in families with income below 200% of the federal poverty level that received services under this program and the total number of children who received services under this program.

(5) The department or superintendent, as applicable, shall do all of the following:

(a) The superintendent shall approve or disapprove the plans and notify the intermediate district of that decision not later than November 15, ~~2005~~ **2006**. The amount allocated by each intermediate district shall be at least an amount equal to ~~3.5%~~ **150.33%** of the intermediate district's ~~2002-2003~~ **2005-2006** payment under **THIS** section**.** ~~81.~~

(b) The department shall ensure that all programs funded under this section utilize the most current validated research-based methods and curriculum for providing the program components described in subsection (2).

(c) The department shall submit a report to the state budget director and the senate and house fiscal agencies summarizing the data collection reports described in subsection (4) by December 1 of each year.

(6) An intermediate district receiving funds under this section shall use the funds only for the program funded under this section. An intermediate district receiving funds under this section may carry over any unexpended funds received under this section to subsequent fiscal years and may expend those unused funds in subsequent fiscal years.

Sec. 32*l*. (1) From the general fund money appropriated in section 11, there is allocated for ~~2005-2006~~ **2006-2007** an amount not to exceed $12,250,000.00 for competitive school readiness program grants **FOR THE PURPOSES OF PREPARING CHILDREN FOR SUCCESS IN SCHOOL, INCLUDING LANGUAGE, EARLY LITERACY,**

AND EARLY MATHEMATICS. These grants shall be made available through a competitive application process as follows:

(a) Any public or private nonprofit legal entity or agency may apply for a grant under this section. However, a district or intermediate district may not apply for a grant under this section unless the district or intermediate district is acting as a fiscal agent for a child caring organization regulated under 1973 PA 116, MCL 722.111 to 722.128.

(b) An applicant shall submit an application in the form and manner prescribed by the department.

(c) The department shall establish a diverse interagency committee to review the applications. The committee shall be composed of representatives of the department, appropriate community, volunteer, and social service agencies and organizations, and parents.

(d) The superintendent shall award the grants and shall give priority for awarding the grants based upon the following criteria:

(*i*) Compliance with the state board-approved early childhood standards of quality for prekindergarten.

(*ii*) Active and continuous involvement of the parents or guardians of the children participating in the program.

(*iii*) Employment of teachers possessing proper training, including a valid Michigan teaching certificate with an early childhood (ZA) endorsement, a valid Michigan teaching certificate with a child development associate credential **(CDA)**, or a bachelor's degree in child development with a specialization in preschool teaching**.** ~~, and employment~~ **HOWEVER, BOTH OF THE FOLLOWING APPLY TO THIS SUBPARAGRAPH:**

(A) IF AN APPLICANT DEMONSTRATES TO THE DEPARTMENT THAT IT IS UNABLE TO FULLY COMPLY WITH THIS SUBPARAGRAPH AFTER MAKING REASONABLE EFFORTS TO COMPLY, THE SUPERINTENDENT MAY STILL GIVE PRIORITY TO THE APPLICANT IF THE APPLICANT WILL EMPLOY TEACHERS WHO HAVE SIGNIFICANT BUT INCOMPLETE TRAINING IN EARLY CHILDHOOD EDUCATION OR CHILD DEVELOPMENT IF THE APPLICANT PROVIDES TO THE DEPARTMENT, AND THE DEPARTMENT APPROVES, A PLAN FOR EACH TEACHER TO COME INTO COMPLIANCE WITH THE STANDARDS IN THIS SUBPARAGRAPH. A TEACHER'S COMPLIANCE PLAN MUST BE COMPLETED WITHIN 4 YEARS OF THE DATE OF EMPLOYMENT. PROGRESS TOWARD COMPLETION OF THE COMPLIANCE PLAN SHALL CONSIST OF AT LEAST 2 COURSES PER CALENDAR YEAR.

(B) FOR A SUBCONTRACTED PROGRAM, THE DEPARTMENT SHALL CONSIDER A TEACHER WITH 90 CREDIT HOURS AND AT LEAST 4 YEARS' TEACHING EXPERIENCE IN A QUALIFIED PRESCHOOL PROGRAM TO MEET THE REQUIREMENTS UNDER THIS SUBPARAGRAPH.

(*iv*) EMPLOYMENT of paraprofessionals possessing proper training in early childhood development, including an associate's degree in early childhood education or child development or the equivalent, or a child development associate (CDA) credential, or the equivalent, as approved by the state board. ~~A paraprofessional who does not meet these requirements may be employed for not more than 2 years while obtaining proper credentials if he or she has completed at least 1 course in an appropriate training program.~~ **IF AN APPLICANT DEMONSTRATES TO THE DEPARTMENT THAT IT IS UNABLE TO FULLY COMPLY WITH THIS SUBPARAGRAPH, AFTER MAKING REASONABLE EFFORTS TO COMPLY, THE SUPERINTENDENT OF PUBLIC INSTRUCTION MAY STILL GIVE PRIORITY TO AN APPLICANT IF THE APPLICANT WILL EMPLOY PARAPROFESSIONALS WHO HAVE COMPLETED AT LEAST 1 COURSE IN EARLY CHILDHOOD EDUCATION OR CHILD DEVELOPMENT IF THE APPLICANT PROVIDES TO THE DEPARTMENT, AND THE DEPARTMENT APPROVES, A PLAN FOR EACH PARAPROFESSIONAL TO COME INTO COMPLIANCE WITH THE STANDARDS IN THIS SUBPARAGRAPH. A PARAPROFESSIONAL'S COMPLIANCE PLAN MUST BE COMPLETED WITHIN 2 YEARS OF THE DATE OF EMPLOYMENT. PROGRESS TOWARD COMPLETION OF THE COMPLIANCE PLAN SHALL CONSIST OF AT LEAST 2 COURSES OR 60 CLOCK HOURS OF TRAINING PER CALENDAR YEAR.**

(*v*) ~~(*iv*)~~ Evidence of collaboration with the community of providers in early childhood development programs including documentation of the total number of children in the community who would meet the criteria established in subparagraph ~~(*vi*)~~ **(*vii*)**, and who are being served by other providers, and the number of children who will remain unserved by other community early childhood programs if this program is funded.

(*vi*) ~~(*v*)~~ The extent to which these funds will supplement other federal, state, local, or private funds.

(*vii*) ~~(*vi*)~~ The extent to which these funds will be targeted to children who will be at least 4, but less than 5, years of age as of December 1 of the year in which the programs are offered and who show evidence of 2 or more "at-risk" factors as defined in the state board report entitled "children at risk" that was adopted by the state board on April 5, 1988.

(*viii*) ~~(*vii*)~~ The program offers supplementary day care and thereby offers full-day programs as part of its early childhood development program.

(*ix*) ~~(*viii*)~~ The application contains a plan approved by the department to conduct and report annual school readiness program evaluations and continuous improvement plans using criteria approved by the department. At a minimum, the evaluations shall include a self-assessment of program quality and assessment of the gains in educational readiness and progress of the children participating in the program.

(e) An application shall demonstrate that the program has established or has joined a multidistrict, multiagency school readiness advisory committee that is involved in the planning and evaluation of the program and that provides for the involvement of parents and appropriate community, volunteer, and social service agencies and organizations. The advisory committee shall include at least 1 parent or guardian of a program participant for every 18 children enrolled in the program, with a minimum of 2 parent or guardian representatives. The advisory committee shall do all of the following:

(*i*) Review the mechanisms and criteria used to determine referrals for participation in the school readiness program.

(*ii*) Review the health screening program for all participants.

(*iii*) Review the nutritional services provided to all participants.

(*iv*) Review the mechanisms in place for the referral of families to community social service agencies, as appropriate.

(*v*) Review the collaboration with and the involvement of appropriate community, volunteer, and social service agencies and organizations in addressing all aspects of education disadvantage.

(*vi*) Review, evaluate, and make recommendations for changes in the school readiness program.

(2) To be eligible for a grant under this section, a program shall demonstrate that more than 50% of the children participating in the program live with families with a household income that is less than or equal to 250% of the federal poverty level.

(3) The superintendent may award grants under this section at whatever level the superintendent determines appropriate. However, the amount of a grant under this section, when combined with other sources of state revenue for this program, shall not exceed $3,300.00 per participating child or the cost of the program, whichever is less.

(4) FOR A GRANT RECIPIENT THAT ENROLLS PUPILS IN A FULL-DAY PROGRAM FUNDED UNDER THIS SECTION, EACH CHILD ENROLLED IN THE FULL-DAY PROGRAM SHALL BE COUNTED AS 2 CHILDREN SERVED BY THE PROGRAM FOR PURPOSES OF DETERMINING THE NUMBER OF CHILDREN TO BE SERVED AND FOR DETERMINING THE AMOUNT OF THE GRANT AWARD. A GRANT AWARD SHALL NOT BE INCREASED SOLELY ON THE BASIS OF PROVIDING A FULL-DAY PROGRAM. AS USED IN THIS SUBSECTION, "FULL-DAY PROGRAM" MEANS A PROGRAM THAT OPERATES FOR AT LEAST THE SAME LENGTH OF DAY AS A DISTRICT'S FIRST GRADE PROGRAM FOR A MINIMUM OF 4 DAYS PER WEEK, 30 WEEKS PER YEAR. A CLASSROOM THAT OFFERS A FULL-DAY PROGRAM MUST ENROLL ALL CHILDREN FOR THE FULL DAY TO BE CONSIDERED A FULL-DAY PROGRAM.

(5) ~~(4)~~ Except as otherwise provided in this subsection, an applicant that receives a **NEW** grant under this section for ~~2005-2006~~ **2006-2007** shall also receive priority for funding under this section for ~~2006-2007 and~~ 2007-2008 **AND 2008-2009**. However, after 3 fiscal years of continuous funding, an applicant is required to compete openly with new programs and other programs completing their third year. All grant awards under this section are contingent on the availability of funds and documented evidence of grantee compliance with early childhood standards of quality for prekindergarten, as approved by the state board, and with all operational, fiscal, administrative, and other program requirements.

(6) NOTWITHSTANDING SECTION 17B, PAYMENTS TO ELIGIBLE ENTITIES UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE AND IN A MANNER DETERMINED BY THE DEPARTMENT.

SEC. 32M. (1) FROM THE STATE SCHOOL AID FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $500,000.00 FOR 2006-2007 FOR GRANTS UNDER THIS SECTION. THE DEPARTMENT SHALL MAKE GRANTS TO APPLICANT DISTRICTS OR INTERMEDIATE DISTRICTS TO ASSIST IN FUNDING PROGRAMS TO PROVIDE PRESCHOOL CHILDREN WITH A BOOK EACH MONTH FROM BIRTH TO AGE 5.

(2) ALL OF THE FOLLOWING APPLY TO A GRANT UNDER THIS SECTION:

(A) A DISTRICT OR INTERMEDIATE DISTRICT SHALL APPLY FOR THE GRANT TO THE DEPARTMENT IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT.

(B) THE GRANTS SHALL BE DISTRIBUTED THROUGH A COMPETITIVE PROCESS ESTABLISHED BY THE DEPARTMENT. THE SELECTION OF GRANT RECIPIENTS SHALL BE BASED ON THE ABILITY OF THE GRANT RECIPIENT TO SERVE CHILDREN IN THE AREA AND THE NEED FOR THE PROGRAM IN THE AREA SERVED BY THE GRANT RECIPIENT.

(C) A GRANT RECIPIENT SHALL PROVIDE A LOCAL MATCH FROM LOCALLY RAISED FUNDS AT LEAST EQUAL TO THE AMOUNT OF THE GRANT UNDER THIS SECTION.

(D) GRANT FUNDS SHALL BE USED ONLY FOR COSTS OF PROVIDING PRESCHOOL CHILDREN WITH A BOOK EACH MONTH FROM BIRTH TO AGE 5. A GRANT RECIPIENT MAY OPERATE THE PROGRAM ITSELF OR WORK WITHIN A CONTRACTUAL OR COOPERATIVE ARRANGEMENT WITH ANOTHER LOCAL UNIT OF GOVERNMENT, A FOUNDATION, OR ANOTHER NONPROFIT ENTITY.

(E) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION MAY BE MADE PURSUANT TO AN AGREEMENT WITH THE DEPARTMENT.

Sec. 34. (1) ~~It is the intent of the legislature to appropriate funds~~ **FROM THE APPROPRIATIONS IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $400,000.00** for 2006-2007 to the department for grants to districts under this section.

(2) Not more than 76% of the money allocated under this section shall be used for grants to districts for the first year of a 5-year grant program to develop an early intervening model program for grades K to 3. The early intervening program will instruct classroom teachers and support staff on how to monitor individual pupil learning and how to provide specific support or learning strategies to pupils as early as possible in order to reduce the need for special education placement. The program will include literacy and numeracy supports, sensory motor skill development, behavior supports, instructional consultation for teachers, and the development of a parent/school learning plan. Specific support or learning strategies may include support in or out of the general classroom in areas including reading, writing, math, visual memory, motor skill development, behavior, or language development. These would be provided based on an understanding of the individual child's learning needs. All of the following apply to the grants:

(a) Each site funded by a grant shall serve as either a model site of practice or a site of improvement. A model site will serve as an ongoing model that provides the early intervening program for pupils and conducts professional development on site for personnel visiting from a site of improvement. A site of improvement is a site that seeks to implement the early intervening program.

(b) The grants shall be distributed through a process established by the department. The selection of grant recipients shall be based on the ability to serve as a model site of practice or, for a site of improvement, based on the highest demonstrated need to improve opportunities for learning success as reflected by either a combined percentage of pupils who are learning disabled, emotionally impaired, or speech and language impaired that is higher than the statewide percentage of those pupils or a percentage of pupils reading below grade level as measured by the statewide third grade English language arts assessment that is higher than the statewide percentage of those pupils, as determined by the department. The department shall ensure geographic diversity in awarding grants.

(c) The department shall award up to 19 grants, with not more than 4 of the grants for development of model sites of practice and not more than 15 of the grants for sites of improvement. A model site of practice shall use the grant funds to make professional development on how to provide the program available on site to personnel from sites of improvement. A site of improvement shall use the grant funds to pay for the expenses of obtaining this professional development and other expenses related to implementing an early intervening program.

(d) The amount of a grant to a district shall be $40,000.00.

(e) A grant shall be used for early intervening programs for pupils at the elementary level only.

(3) Not more than 24% of the money allocated under this section shall be used for grants to districts for programs that provide early intervening strategies for pupils in grades K to 3 using schoolwide systems of academic and behavioral supports and shall be scientifically research-based. The strategies to be provided shall include at least pupil performance indicators based upon response to intervention, instructional consultation for teachers, and ongoing progress monitoring. A schoolwide system of academic and behavioral support should be based on a support team available to the classroom teachers. The members of this team could include the principal, special education staff, reading teachers, and other appropriate personnel who would be available to systematically study the needs of the individual child and work with the teacher to match instruction to the needs of the individual child. These grants shall be distributed through a competitive process established by the department. A grant shall be used for providing these programs for pupils at the elementary level only.

(4) The department shall develop guidelines on the use of the grant funds allocated under this section. These guidelines shall ensure that the use of these grant funds is consistent with research and instructional programs that include data-driven processes and proven methods of success.

(5) Programs funded under this section shall invite visitation and feedback from the regional literacy training center in which service area the recipient district is located, as identified by the department.

(6) Notwithstanding section 17b, payments under this section may be made pursuant to an agreement with the department.

(7) Not later than January 30 of the next fiscal year, the department shall prepare and submit to the governor, the senate and house standing committees on education, and the senate and house appropriations subcommittees having jurisdiction over state school aid an annual report of outcomes achieved by the grant recipients funded under this section for a fiscal year. For this report, the funded sites shall collect data prescribed by the department and report to the department on the percentage of pupils reading at grade level before implementation of the program and the percentage of pupils reading at grade level after implementation of the program, as measured by the statewide third grade English language arts assessment.

Sec. 37. (1) A district is eligible for an allocation under section 32d if the district meets all of the requirements in subsections (2), (3), and (4).

(2) The district shall submit a preapplication, in a manner and on forms prescribed by the department, by a date specified by the department in the immediately preceding state fiscal year. The preapplication shall include a comprehensive needs assessment and community collaboration plan, and shall identify all of the following:

(a) The estimated total number of children in the community who meet the criteria of section 32d and how that calculation was made.

(b) The estimated number of children in the community who meet the criteria of section 32d and are being served by other early childhood development programs operating in the community, and how that calculation was made.

(c) The number of children the district will be able to serve who meet the criteria of section 32d including a verification of physical facility and staff resources capacity.

(d) The estimated number of children who meet the criteria of section 32d who will remain unserved after the district and community early childhood programs have met their funded enrollments. The school district shall maintain a waiting list of identified unserved eligible children who would be served when openings are available.

(3) The district shall submit a final application for approval, in a manner and on forms prescribed by the department, by a date specified by the department. The final application shall indicate all of the following that apply:

(a) The district complies with the state board approved early childhood standards of quality for prekindergarten.

(b) The district provides for the active and continuous participation of parents or guardians of the children in the program, and describes the district's participation plan as part of the application.

(c) The district only employs for this program the following:

(*i*) Teachers possessing proper training. For programs the district manages itself, a valid teaching certificate and an early childhood (ZA) endorsement are required. This provision does not apply to a district that subcontracts with an eligible child development program. In that situation a teacher must have a valid Michigan teaching certificate with an early childhood (ZA) endorsement, a valid Michigan teaching certificate with a child development associate credential, or a bachelor's degree in child development with specialization in preschool teaching. **HOWEVER, BOTH OF THE FOLLOWING APPLY TO THIS SUBPARAGRAPH:**

(A) IF A DISTRICT DEMONSTRATES TO THE DEPARTMENT THAT IT IS UNABLE TO FULLY COMPLY WITH THIS SUBPARAGRAPH AFTER MAKING REASONABLE EFFORTS TO COMPLY, TEACHERS WHO HAVE SIGNIFICANT BUT INCOMPLETE TRAINING IN EARLY CHILDHOOD EDUCATION OR CHILD DEVELOPMENT MAY BE EMPLOYED BY THE DISTRICT IF THE DISTRICT PROVIDES TO THE DEPARTMENT, AND THE DEPARTMENT APPROVES, A PLAN FOR EACH TEACHER TO COME INTO COMPLIANCE WITH THE STANDARDS IN THIS SUBPARAGRAPH. A TEACHER'S COMPLIANCE PLAN MUST BE COMPLETED WITHIN 4 YEARS OF THE DATE OF EMPLOYMENT. PROGRESS TOWARD COMPLETION OF THE COMPLIANCE PLAN SHALL CONSIST OF AT LEAST 2 COURSES PER CALENDAR YEAR.

(B) FOR A SUBCONTRACTED PROGRAM, THE DEPARTMENT SHALL CONSIDER A TEACHER WITH 90 CREDIT HOURS AND AT LEAST 4 YEARS' TEACHING EXPERIENCE IN A QUALIFIED PRESCHOOL PROGRAM TO MEET THE REQUIREMENTS UNDER THIS SUBPARAGRAPH.

(*ii*) Paraprofessionals possessing proper training in early childhood development, including an associate's degree in early childhood education or child development or the equivalent, or a child development associate (CDA) credential, or the equivalent as approved by the state board. ~~A paraprofessional who does not meet these requirements may be employed for not more than 2 years while obtaining proper credentials if he or she has completed at least 1 course in an appropriate training program.~~ **HOWEVER, IF A DISTRICT DEMONSTRATES TO THE DEPARTMENT THAT IT IS UNABLE TO FULLY COMPLY WITH THIS SUBPARAGRAPH AFTER MAKING REASONABLE EFFORTS TO COMPLY, THE DISTRICT MAY EMPLOY PARAPROFESSIONALS WHO HAVE COMPLETED AT LEAST 1 COURSE IN EARLY CHILDHOOD EDUCATION OR CHILD DEVELOPMENT IF THE DISTRICT PROVIDES TO THE DEPARTMENT, AND THE DEPARTMENT APPROVES, A PLAN FOR EACH PARAPROFESSIONAL TO COME INTO COMPLIANCE WITH THE STANDARDS IN THIS SUBPARAGRAPH. A PARAPROFESSIONAL'S COMPLIANCE PLAN MUST BE COMPLETED WITHIN 2 YEARS OF THE DATE OF EMPLOYMENT. PROGRESS TOWARD COMPLETION OF THE COMPLIANCE PLAN SHALL CONSIST OF AT LEAST 2 COURSES OR 60 CLOCK HOURS OF TRAINING PER CALENDAR YEAR.**

(d) The district has submitted for approval a program budget that includes only those costs not reimbursed or reimbursable by federal funding, that are clearly and directly attributable to the early childhood readiness program, and that would not be incurred if the program were not being offered. If children other than those determined to be educationally disadvantaged participate in the program, state reimbursement under section 32d shall be limited to the portion of approved costs attributable to educationally disadvantaged children.

(e) The district has established a, or has joined a multidistrict, multiagency, school readiness advisory committee consisting of, at a minimum, classroom teachers for prekindergarten, kindergarten, and first grade; parents or guardians of program participants; representatives from appropriate community agencies and organizations; the district curriculum director or equivalent administrator; and, if feasible, a school psychologist, school social worker, or school counselor. In addition, there shall be on the committee at least 1 parent or guardian of a program participant for every 18 children enrolled in the program, with a minimum of 2 parent or guardian representatives. The committee shall do all of the following:

(*i*) Ensure the ongoing articulation of the early childhood, kindergarten, and first grade programs offered by the district or districts.

(*ii*) Review the mechanisms and criteria used to determine participation in the early childhood program.

(*iii*) Review the health screening program for all participants.

(*iv*) Review the nutritional services provided to program participants.

(*v*) Review the mechanisms in place for the referral of families to community social service agencies, as appropriate.

(*vi*) Review the collaboration with and the involvement of appropriate community, volunteer, and social service agencies and organizations in addressing all aspects of educational disadvantage.

(*vii*) Review, evaluate, and make recommendations to a local school readiness program or programs for changes to the school readiness program.

(f) The district has submitted for departmental approval a plan to conduct and report annual school readiness program evaluations and continuous improvement plans using criteria approved by the department. At a minimum, the evaluations shall include a self-assessment of program quality and assessment of the gains in educational readiness and progress of the children participating in the program.

(g) More than 50% of the children participating in the program live with families with a household income that is equal to or less than 250% of the federal poverty level.

(4) A consortium of 2 or more districts shall be eligible for an allocation under section 32d if the districts designate a single fiscal agent for the allocation. A district or intermediate district may administer a consortium described in this subsection. A consortium shall submit a single preapplication and application for the children to be served, regardless of the number of districts participating in the consortium.

(5) With the final application, an applicant district shall submit to the department a resolution adopted by its board certifying the number of 4-year-old children who show evidence of risk factors as described in section 32d who live with families with a household income that is less than or equal to 250% of the federal poverty level.

Sec. 39a. (1) From the federal funds appropriated in section 11, there is allocated for ~~2005-2006~~ **2006-2007** to districts, intermediate districts, and other eligible entities all available federal funding, estimated at ~~$652,919,600.00~~ **$636,978,000.00**, for the federal programs under the no child left behind act of 2001, Public Law 107-110. These funds are allocated as follows:

(a) An amount estimated at ~~$12,050,500.00~~ **$9,625,800.00** to provide students with drug- and violence-prevention programs and to implement strategies to improve school safety, funded from DED-OESE, drug-free schools and communities funds.

(b) An amount estimated at ~~$9,401,400.00~~ **$6,140,900.00** for the purpose of improving teaching and learning through a more effective use of technology, funded from DED-OESE, educational technology state grant funds.

(c) An amount estimated at $106,249,200.00 for the purpose of preparing, training, and recruiting high-quality teachers and class size reduction, funded from DED-OESE, improving teacher quality funds.

(d) An amount estimated at $7,627,400.00 for programs to teach English to limited English proficient (LEP) children, funded from DED-OESE, language acquisition state grant funds.

(e) An amount estimated at $8,550,000.00 for the Michigan charter school subgrant program, funded from DED-OESE, charter school funds.

(f) An amount estimated at $58,000.00 for Michigan model partnership for character education programs, funded from DED-OESE, title X, fund for improvement of education funds.

(g) An amount estimated at $468,700.00 for rural and low income schools, funded from DED-OESE, rural and low income school funds.

(h) An amount estimated at ~~$6,231,800.00~~ **$3,115,900.00** to help schools develop and implement comprehensive school reform programs, funded from DED-OESE, title I and title X, comprehensive school reform funds.

(i) An amount estimated at $428,860,300.00 to provide supplemental programs to enable educationally disadvantaged children to meet challenging academic standards, funded from DED-OESE, title I, disadvantaged children funds.

(j) An amount estimated at ~~$6,314,100.00~~ **$3,022,700.00** for the purpose of providing unified family literacy programs, funded from DED-OESE, title I, even start funds.

(k) An amount estimated at $8,186,200.00 for the purpose of identifying and serving migrant children, funded from DED-OESE, title I, migrant education funds.

(*l*) An amount estimated at $22,928,000.00 to promote high-quality school reading instruction for grades K-3, funded from DED-OESE, title I, reading first state grant funds.

(m) An amount estimated at ~~$5,698,000.00~~ **$2,848,900.00** for the purpose of implementing innovative strategies for improving student achievement, funded from DED-OESE, title VI, innovative strategies funds.

(n) An amount estimated at $29,296,000.00 for the purpose of providing high-quality extended learning opportunities, after school and during the summer, for children in low-performing schools, funded from DED-OESE, twenty-first century community learning center funds. Of these funds, $25,000.00 may be used to support the Michigan after-school partnership. All of the following apply to the Michigan after-school partnership:

(*i*) The department shall collaborate with the department of human services to extend the duration of the Michigan after-school initiative, to be renamed the Michigan after-school partnership and oversee its efforts to implement the

policy recommendations and strategic next steps identified in the Michigan after-school initiative's report of December 15, 2003.

(*ii*) Funds shall be used to leverage other private and public funding to engage the public and private sectors in building and sustaining high-quality out-of-school-time programs and resources. The co-chairs, representing the department and the department of human services, shall name a fiduciary agent and may authorize the fiduciary to expend funds and hire people to accomplish the work of the Michigan after-school partnership.

(*iii*) Participation in the Michigan after-school partnership shall be expanded beyond the membership of the initial Michigan after-school initiative to increase the representation of parents, youth, foundations, employers, and others with experience in education, child care, after-school and youth development services, and crime and violence prevention, and to include representation from the Michigan department of community health. Each year, on or before December 31, the Michigan after-school partnership shall report its progress in reaching the recommendations set forth in the Michigan after-school initiative's report to the legislature and the governor.

~~(o) An amount estimated at $1,000,000.00 for community service state grants, funded from DED-OESE, community service state grant funds.~~

(2) From the federal funds appropriated in section 11, there is allocated for ~~2005-2006~~ **2006-2007** to districts, intermediate districts, and other eligible entities all available federal funding, estimated at $4,646,400.00, for the following programs that are funded by federal grants:

(a) An amount estimated at $600,000.00 for acquired immunodeficiency syndrome education grants, funded from HHS-center for disease control, AIDS funding.

(b) An amount estimated at $1,500,100.00 to provide services to homeless children and youth, funded from DED-OVAE, homeless children and youth funds.

(c) An amount estimated at $1,000,000.00 for refugee children school impact grants, funded from HHS-ACF, refugee children school impact funds.

(d) An amount estimated at $1,445,600.00 for serve America grants, funded from the corporation for national and community service funds.

(e) An amount estimated at $100,700.00 to encourage interstate and intrastate coordination of migrant education, funded from DED-OESE, title I, migrant education program funds.

(3) To the extent allowed under federal law, the funds allocated under subsection (1)(i), (j), and (*l*) may be used for 1 or more reading improvement programs that meet at least 1 of the following:

(a) A research-based, validated, structured reading program that aligns learning resources to state standards and includes continuous assessment of pupils and individualized education plans for pupils.

(b) A mentoring program that is a research-based, validated program or a statewide 1-to-1 mentoring program and is designed to enhance the independence and life quality of pupils who are mentally impaired by providing opportunities for mentoring and integrated employment.

(c) A cognitive development program that is a research-based, validated educational service program focused on assessing and building essential cognitive and perceptual learning abilities to strengthen pupil concentration and learning.

(d) A structured mentoring-tutorial reading program for pupils in preschool to grade 4 that is a research-based, validated program that develops individualized educational plans based on each pupil's age, assessed needs, reading level, interests, and learning style.

(4) All federal funds allocated under this section shall be distributed in accordance with federal law and with flexibility provisions outlined in Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(5) As used in this section:

(a) "DED" means the United States department of education.

(b) "DED-OESE" means the DED office of elementary and secondary education.

(c) "DED-OVAE" means the DED office of vocational and adult education.

(d) "HHS" means the United States department of health and human services.

(e) "HHS-ACF" means the HHS administration for children and families.

Sec. 41. From the appropriation in section 11, there is allocated an amount not to exceed $2,800,000.00 for ~~2005-2006~~ **2006-2007** to applicant districts and intermediate districts offering programs of instruction for pupils of limited English-speaking ability under section 1153 of the revised school code, MCL 380.1153. Reimbursement shall be on a per pupil basis and shall be based on the number of pupils of limited English-speaking ability in membership on the pupil membership count day. Funds allocated under this section shall be used solely for instruction in speaking, reading, writing, or comprehension of English. A pupil shall not be counted under this section or instructed in a program under this section for more than 3 years.

Sec. 41a. From the federal funds appropriated in section 11, there is allocated an amount estimated at $1,232,100.00 for ~~2005-2006~~ **2006-2007** from the United States department of education - office of elementary and secondary

education, language acquisition state grant funds, to districts and intermediate districts offering programs of instruction for pupils of limited English-speaking ability.

Sec. 51a. (1) ~~From the appropriation in section 11, there is allocated for 2004-2005 an amount not to exceed $896,383,000.00 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 $329,850,000.00 plus any carryover federal funds from previous year appropriations.~~ From the appropriation in section 11, there is allocated for 2005-2006 an amount not to exceed ~~$955,883,000.00~~ **$932,083,000.00** 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 $345,850,000.00, plus any carryover federal funds from previous year appropriations. **FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2006-2007 AN AMOUNT NOT TO EXCEED $991,983,000.00 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, ~~title VI of Public Law 91-230~~ **PUBLIC LAW 108-446**, including, but not limited to, 34 CFR 300.234 and 300.235. 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 each fiscal year ~~for 2004-2005 and~~ for 2005-2006 **AND FOR 2006-2007** the amount necessary, estimated at ~~$175,500,000.00 for 2004-2005 and $187,700,000.00~~ **$191,800,000.00** for 2005-2006 **AND $205,600,000.00 FOR 2006-2007**, 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 $6,500.00 adjusted by the dollar amount of the difference between the basic foundation allowance under section 20 for the current fiscal year and $5,000.00 minus $200.00, 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 $6,500.00 adjusted by the dollar amount of the difference between the basic foundation allowance under section 20 for the current fiscal year and $5,000.00 minus $200.00, 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 each fiscal year ~~for 2004-2005 and~~ for 2005-2006 **AND FOR 2006-2007** the amount necessary, estimated at ~~$3,000,000.00 for 2004-2005 and $2,500,000.00~~ **$2,200,000.00** for 2005-2006 **AND $1,600,000.00 FOR 2006-2007**, 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 each fiscal year ~~for 2004-2005 and~~ for 2005-2006 **AND FOR 2006-2007** to districts, intermediate districts, or other eligible entities on a competitive grant basis for programs, equipment, and services that the department determines to be designed to benefit or improve special education on a statewide scale.

(6) From the amount allocated in subsection (1), there is allocated an amount not to exceed $2,200,000.00 each fiscal year for ~~2004-2005 and~~ for 2005-2006 **AND FOR 2006-2007** 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) Except as otherwise provided in ~~subdivision (c)~~ **SUBDIVISIONS (C) AND (D)**, 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 2004-2005 that the amounts allocated under this section for 2004-2005 will exceed expenditures under this section for 2004-2005, then for 2004-2005 only, for a district or intermediate district whose reimbursement for 2004-2005 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 this section 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) IF THE DEPARTMENT DETERMINES BEFORE BOOKCLOSING FOR 2005-2006 THAT THE AMOUNTS ALLOCATED FOR 2005-2006 UNDER SUBSECTIONS (2), (3), (6), (8), AND (12) AND SECTIONS 53A, 54, AND 56 WILL EXCEED EXPENDITURES FOR 2005-2006 UNDER SUBSECTIONS (2), (3), (6), (8), AND (12) AND SECTIONS 53A, 54, AND 56, THEN FOR 2005-2006 ONLY, FOR A DISTRICT OR INTERMEDIATE DISTRICT WHOSE REIMBURSEMENT FOR 2005-2006 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.

(E) ~~(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.

(8) From the allocation in subsection (1), there is allocated each fiscal year ~~for 2004-2005 and~~ for 2005-2006 **AND FOR 2006-2007** 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 each fiscal year ~~for 2004-2005 and~~ for 2005-2006 **AND FOR 2006-2007** the amount necessary, estimated at ~~$7,000,000.00 for 2004-2005 and $6,600,000.00~~ **$6,900,000.00** for 2005-2006 **AND $7,700,000.00 FOR 2006-2007**, 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 $6,500.00 adjusted by the dollar amount of the difference between the basic foundation allowance under section 20 for the current fiscal year and $5,000.00 minus $200.00, 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 $6,500.00 adjusted by the dollar amount of the difference between the basic foundation allowance under section 20 for the current fiscal year and $5,000.00 minus $200.00, 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 each fiscal year ~~for 2004-2005 and~~ for 2005-2006 **AND FOR 2006-2007** the amount necessary, estimated at ~~$642,000,000.00 for 2004-2005 and $690,200,000.00~~ **$662,300,000.00** for 2005-2006 **AND $708,200,000.00 FOR 2006-2007**, for payments to reimburse districts for 28.6138% of total approved costs of special education excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 22b in order to fully fund those calculated allocations for the same fiscal year.

Sec. 51d. (1) From the federal funds appropriated in section 11, there is allocated for ~~2005-2006~~ **2006-2007** all available federal funding, estimated at ~~$65,000,000.00~~ **$74,000,000.00**, for special education programs that are funded by federal grants. All federal funds allocated under this section shall be distributed in accordance with federal law. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(2) From the federal funds allocated under subsection (1), the following amounts are allocated for ~~2005-2006~~ **2006-2007**:

(a) An amount estimated at $15,000,000.00 for handicapped infants and toddlers, funded from DED-OSERS, handicapped infants and toddlers funds.

(b) An amount estimated at $14,000,000.00 for preschool grants (Public Law 94-142), funded from DED-OSERS, handicapped preschool incentive funds.

(c) An amount estimated at ~~$36,000,000.00~~ **$45,000,000.00** for special education programs funded by DED-OSERS, handicapped program, individuals with disabilities act funds.

(3) As used in this section, "DED-OSERS" means the United States department of education office of special education and rehabilitative services.

Sec. 53a. (1) For districts, reimbursement for pupils described in subsection (2) shall be 100% of the total approved costs of operating special education programs and services approved by the department and included in the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766, minus the district's foundation allowance calculated under section 20, and minus the amount calculated for the district under section 20j. For intermediate districts, reimbursement for pupils described in ~~section~~ **SUBSECTION** (2) shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed $6,500.00 adjusted by the dollar amount of the difference between the basic foundation allowance under section 20 for the current fiscal year and $5,000.00, minus $200.00, and under section 20j.

(2) Reimbursement under subsection (1) is for the following special education pupils:

(a) Pupils assigned to a district or intermediate district through the community placement program of the courts or a state agency, if the pupil was a resident of another intermediate district at the time the pupil came under the jurisdiction of the court or a state agency.

(b) Pupils who are residents of institutions operated by the department of community health.

(c) Pupils who are former residents of department of community health institutions for the developmentally disabled who are placed in community settings other than the pupil's home.

(d) Pupils enrolled in a department-approved on-grounds educational program longer than 180 days, but not longer than 233 days, at a residential child care institution, if the child care institution offered in 1991-92 an on-grounds educational program longer than 180 days but not longer than 233 days.

(e) Pupils placed in a district by a parent for the purpose of seeking a suitable home, if the parent does not reside in the same intermediate district as the district in which the pupil is placed.

(3) Only those costs that are clearly and directly attributable to educational programs for pupils described in subsection (2), and that would not have been incurred if the pupils were not being educated in a district or intermediate district, are reimbursable under this section.

(4) The costs of transportation shall be funded under this section and shall not be reimbursed under section 58.

(5) Not more than $12,800,000.00 of the allocation for ~~2005-2006~~ **2006-2007** in section 51a(1) shall be allocated under this section.

Sec. 54. ~~In addition to the aid received under section 52, each~~ **EACH** intermediate district shall receive an amount per pupil for each pupil in attendance at the Michigan schools for the deaf and blind. The amount shall be proportionate to the total instructional cost at each school. Not more than $1,688,000.00 of the allocation for ~~2005-2006~~ **2006-2007** in section 51a(1) shall be allocated under this section.

Sec. 54a. From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed $250,000.00 for ~~2005-2006~~ **2006-2007** to the lending library located at central Michigan university from which districts and intermediate districts can borrow assessment materials designed specifically for children with severe loss of vision or hearing, severe cognitive or motor disabilities, or multiple disabilities and for children who require the most specialized types of psychological and educational assessment. The lending library shall make test assessment

materials available through borrowing to districts and intermediate districts. The lending library shall also provide information about the lending library at meetings and conferences for school personnel and shall develop a website to describe the services offered by the lending library. The lending library also ~~should~~ **SHALL** mail information about the services offered by the lending library to all districts and intermediate districts.

Sec. 54B. (1) FROM THE MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $250,000.00 FOR 2006-2007 TO MICHIGAN STATE UNIVERSITY FOR A STUDY OF THE CONDUCTIVE LEARNING CENTER LOCATED AT AQUINAS COLLEGE. THIS FUNDING SHALL BE USED TO DEVELOP AND IMPLEMENT AN EVALUATION OF THE EFFECTIVENESS OF CONDUCTIVE EDUCATION FOR CHILDREN WITH CEREBRAL PALSY. THE EVALUATION SHALL BE MULTIDIMENSIONAL AND SHALL INCLUDE A CONTROL GROUP OF CHILDREN WITH CEREBRAL PALSY NOT ENROLLED IN CONDUCTIVE EDUCATION. IT SHOULD INCLUDE AN ASSESSMENT OF THE MOTOR SYSTEM ITSELF AS WELL AS THE IMPACT OF CONDUCTIVE EDUCATION ON EACH OF THE FOLLOWING:

(A) THE ACQUISITION OF SKILLS PERMITTING COMPLEX MOTOR FUNCTIONS.

(B) THE PERFORMANCE OF TASKS ESSENTIAL TO DAILY LIVING.

(C) THE ATTITUDES AND FEELINGS OF BOTH CHILDREN AND PARENTS.

(D) THE LONG-TERM NEED FOR SPECIAL EDUCATION FOR CHILDREN WITH CEREBRAL PALSY.

(2) IT IS THE INTENT OF THE LEGISLATURE THAT THIS FUNDING IS FOR THE FIRST OF 3 YEARS OF FUNDING FOR THIS PURPOSE.

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

(a) "Membership" means for a particular fiscal year the total membership for the immediately preceding fiscal year of the intermediate district and the districts constituent to the intermediate district.

(b) "Millage levied" means the millage levied for special education pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1743, including a levy for debt service obligations.

(c) "Taxable value" means the total taxable value of the districts constituent to an intermediate district, except that if a district has elected not to come under part 30 of the revised school code, MCL 380.1711 to 380.1743, membership and taxable value of the district shall not be included in the membership and taxable value of the intermediate district.

(2) From the allocation under section 51a(1), there is allocated an amount **EACH FISCAL YEAR** not to exceed $36,881,100.00 for 2005-2006 **AND FOR 2006-2007** 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 2004-2005 shall be made in 2005-2006 at an amount per 2004-2005 membership pupil computed by subtracting from ~~$142,100.00~~ **$142,900.00** the 2004-2005 taxable value behind each membership pupil and multiplying the resulting difference by the 2004-2005 millage levied. **REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2005-2006 SHALL BE MADE IN 2006-2007 AT AN AMOUNT PER 2005-2006 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING FROM $151,300.00 THE 2005-2006 TAXABLE VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY THE 2005-2006 MILLAGE LEVIED.**

Sec. 57. (1) From the appropriation in section 11, there is allocated an amount not to exceed $285,000.00 for ~~2005-2006~~ **2006-2007** for grants to intermediate districts for advanced and accelerated students.

(2) To qualify for funding under this section, a grant recipient shall support part of the cost of summer institutes for advanced and accelerated students and, to the extent the funding allows, provide comprehensive programs for advanced and accelerated pupils.

(3) Except as otherwise provided in this subsection, the amount of a single grant award under this section shall not exceed $5,000.00. Intermediate districts may form a consortium, and that consortium may receive a maximum grant amount of $5,000.00 for each participant intermediate district. Each intermediate district or consortium must apply for grant funding by April 1, ~~2006~~ **2007** and demonstrate compliance with subsection (2).

(4) A district, intermediate district, or consortium that receives a grant under this section shall provide at least a 25% match for grant money received under this section from local public or private resources.

(5) Any unallocated grant funds may be allocated to intermediate districts and consortia receiving grants under this section in an equal amount per intermediate district.

SEC. 57A. (1) FROM THE STATE SCHOOL AID FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $250,000.00 FOR 2006-2007 FOR GRANTS UNDER THIS SECTION. THE DEPARTMENT SHALL MAKE GRANTS TO APPLICANT DISTRICTS, INTERMEDIATE DISTRICTS, OR CONSORTIA CONSISTING OF DISTRICTS OR INTERMEDIATE DISTRICTS OR BOTH, TO ASSIST TO OFFSET THE COSTS OF ESTABLISHING AN INTERNATIONAL BACCALAUREATE DIPLOMA PROGRAM OR INTERNATIONAL BACCALAUREATE MIDDLE YEARS PROGRAM.

(2) ALL OF THE FOLLOWING APPLY TO A GRANT UNDER THIS SECTION:

(A) A DISTRICT, INTERMEDIATE DISTRICT, OR CONSORTIUM CONSISTING OF DISTRICTS OR INTERMEDIATE DISTRICTS OR BOTH SHALL APPLY FOR THE GRANT TO THE DEPARTMENT IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT.

(B) THE AMOUNT OF EACH GRANT SHALL BE $50,000.00, AND A GRANT RECIPIENT MAY RECEIVE A GRANT UNDER THIS SECTION EACH FISCAL YEAR FOR NOT MORE THAN 4 FISCAL YEARS.

(C) GRANT FUNDS SHALL BE USED ONLY FOR START-UP COSTS FOR THE FIRST 4 YEARS OF ESTABLISHING AN INTERNATIONAL BACCALAUREATE DIPLOMA PROGRAM OR INTERNATIONAL BACCALAUREATE MIDDLE YEARS PROGRAM, AS PRESCRIBED BY THE DEPARTMENT.

(D) THE DEPARTMENT SHALL AWARD THE GRANTS TO GRANT APPLICANTS IN CONSULTATION WITH AN ADVISORY COMMITTEE ESTABLISHED BY THE DEPARTMENT. THE ADVISORY COMMITTEE SHALL CONSIST OF A REPRESENTATIVE OF THE DEPARTMENT, A REPRESENTATIVE DESIGNATED BY THE GOVERNOR, A DISTRICT SUPERINTENDENT, A REPRESENTATIVE FROM AN EXISTING INTERNATIONAL BACCALAUREATE DIPLOMA PROGRAM, AND A REPRESENTATIVE OF THE INTERNATIONAL BACCALAUREATE ORGANIZATION.

(E) A PROGRAM FUNDED BY A GRANT UNDER THIS SECTION SHALL SERVE EITHER AT LEAST 75 PUPILS ENROLLED IN EACH GRADE LEVEL IN WHICH THE PROGRAM IS OFFERED OR AT LEAST 200 TOTAL PUPILS ENROLLED IN THE PROGRAM.

(F) IF THE NUMBER OF GRANT APPLICANTS EXCEEDS THE NUMBER THAT MAY BE FULLY FUNDED WITH THE AMOUNT ALLOCATED UNDER THIS SECTION, THE DEPARTMENT SHALL AWARD THE GRANTS BASED ON THE FOLLOWING:

(*i*) THE NUMBER OF PUPILS TO BE ENROLLED IN THE PROGRAM. FOR A MIDDLE YEARS PROGRAM, THIS MEANS THE NUMBER ENROLLED IN THE PROGRAM IN GRADES 6 TO 8. FOR A DIPLOMA PROGRAM, THIS MEANS THE NUMBER OF PUPILS ENROLLED IN GRADES 9 TO 12.

(*ii*) THE DEPARTMENT SHALL GIVE PRIORITY TO PROGRAMS OPERATED BY A CONSORTIUM AND TO DIPLOMA PROGRAMS THAT REQUIRE FULL DIPLOMA PARTICIPATION.

(*iii*) THE DEPARTMENT SHALL ATTEMPT TO BALANCE THE GRANTS BETWEEN DIPLOMA PROGRAMS AND MIDDLE YEARS PROGRAMS.

(G) IF MORE THAN 1 DISTRICT, INTERMEDIATE DISTRICT, OR CONSORTIUM APPLIES FOR A GRANT OR GRANTS UNDER THIS SECTION, THE DEPARTMENT SHALL NOT AWARD MORE THAN 1 GRANT UNDER THIS SECTION TO A PARTICULAR DISTRICT, INTERMEDIATE DISTRICT, OR CONSORTIUM.

(H) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION MAY BE MADE PURSUANT TO AN AGREEMENT WITH THE DEPARTMENT.

(3) AS USED IN THIS SECTION:

(A) "INTERNATIONAL BACCALAUREATE DIPLOMA PROGRAM" OR "DIPLOMA PROGRAM" MEANS A PROGRAM THAT OFFERS THE CURRICULUM AND EXAMINATIONS LEADING TO AN INTERNATIONAL BACCALAUREATE DIPLOMA AWARDED BY THE INTERNATIONAL BACCALAUREATE ORGANIZATION AND THAT EITHER HAS BEEN AUTHORIZED BY THE INTERNATIONAL BACCALAUREATE ORGANIZATION OR HAS INITIATED THE APPLICATION PROCESS FOR ACHIEVING THAT AUTHORIZATION.

(B) "INTERNATIONAL BACCALAUREATE MIDDLE YEARS PROGRAM" OR "MIDDLE YEARS PROGRAM" MEANS A MIDDLE SCHOOL PROGRAM THAT OFFERS THE MIDDLE SCHOOL CURRICULUM AND EXAMINATIONS OF THE INTERNATIONAL BACCALAUREATE ORGANIZATION AND THAT EITHER HAS BEEN AUTHORIZED BY THE INTERNATIONAL BACCALAUREATE ORGANIZATION OR HAS INITIATED THE APPLICATION PROCESS FOR ACHIEVING THAT AUTHORIZATION.

Sec. 61a. (1) From the appropriation in section 11, there is allocated an amount not to exceed $30,000,000.00 for ~~2005-2006~~ **2006-2007** to reimburse on an added cost basis districts, except for a district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year, and secondary area vocational-technical education centers for secondary-level vocational-technical education programs, including parenthood education programs, according to rules approved by the superintendent. Applications for participation in the programs shall be submitted in the form prescribed by the department. The department shall determine the added cost for each vocational-technical program area. The allocation of added cost funds shall be based on the type of vocational-technical programs provided, the number of pupils enrolled, and the length of the training period provided, and shall not exceed 75% of the added cost of any program. With the approval of the department, the board of a district maintaining a secondary vocational-technical education program may offer the program for the period from the close of the school year until September 1. The program shall use existing facilities and shall be operated as prescribed by rules promulgated by the superintendent.

(2) Except for a district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year, districts and intermediate districts shall be reimbursed for local vocational administration, shared time vocational administration, and career education planning district vocational-technical administration. The definition of what constitutes administration and reimbursement shall be pursuant to guidelines adopted by the superintendent. Not more than $800,000.00 of the allocation in subsection (1) shall be distributed under this subsection.

(3) From the allocation in subsection (1), there is allocated an amount not to exceed $388,700.00 for ~~2005-2006~~ **2006-2007** to intermediate districts with constituent districts that had combined state and local revenue per membership pupil in the 1994-95 state fiscal year of $6,500.00 or more, served as a fiscal agent for a state board designated area vocational education center in the 1993-94 school year, and had an adjustment made to their 1994-95 combined state and local revenue per membership pupil pursuant to section 20d. The payment under this subsection to the intermediate district shall equal the amount of the allocation to the intermediate district for 1996-97 under this subsection.

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 **EACH FISCAL YEAR** an amount not to exceed $9,000,000.00 for 2005-2006 **AND FOR 2006-2007** 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 2004-2005 shall be made in 2005-2006 at an amount per 2004-2005 membership pupil computed by subtracting from ~~$151,200.00~~ **$152,000.00** the 2004-2005 taxable value behind each membership pupil and multiplying the resulting difference by the 2004-2005 millage levied. **REIMBURSEMENT FOR THE MILLAGES LEVIED IN 2005-2006 SHALL BE MADE IN 2006-2007 AT AN AMOUNT PER 2005-2006 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING FROM $160,500.00 THE 2005-2006 TAXABLE VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY THE 2005-2006 MILLAGE LEVIED.**

SEC. 64. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $2,000,000.00 FOR GRANTS TO INTERMEDIATE DISTRICTS OR A DISTRICT OF THE FIRST CLASS THAT ARE IN CONSORTIUM WITH A COMMUNITY COLLEGE OR STATE PUBLIC UNIVERSITY AND A HOSPITAL TO CREATE AND IMPLEMENT A MIDDLE COLLEGE FOCUSED ON THE FIELD OF HEALTH SCIENCES.

(2) AWARDS SHALL BE MADE IN A MANNER AND FORM AS DETERMINED BY THE DEPARTMENT; HOWEVER, AT A MINIMUM, ELIGIBLE CONSORTIA FUNDED UNDER THIS SECTION SHALL ENSURE THE MIDDLE COLLEGE PROVIDES ALL OF THE FOLLOWING:

(A) OUTREACH PROGRAMS TO PROVIDE INFORMATION TO MIDDLE SCHOOL AND HIGH SCHOOL STUDENTS ABOUT CAREER OPPORTUNITIES IN THE HEALTH SCIENCES FIELD.

(B) AN INDIVIDUALIZED EDUCATION PLAN FOR EACH PUPIL ENROLLED IN THE PROGRAM.

(C) CURRICULUM THAT INCLUDES ENTRY-LEVEL COLLEGE COURSES.

(D) CLINICAL ROTATIONS THAT PROVIDE OPPORTUNITIES FOR PUPILS TO OBSERVE CAREERS IN THE HEALTH SCIENCES.

(3) FOR THE PURPOSES OF THIS SECTION, "MIDDLE COLLEGE" MEANS A SERIES OF COURSES AND OTHER REQUIREMENTS AND CONDITIONS ESTABLISHED BY THE CONSORTIUM THAT ALLOW A PUPIL TO GRADUATE WITH A HIGH SCHOOL DIPLOMA AND A CERTIFICATE OR DEGREE FROM A COMMUNITY COLLEGE OR STATE PUBLIC UNIVERSITY.

SEC. 65. (1) FROM THE AMOUNT APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $780,100.00 FOR 2006-2007 FOR GRANTS TO DISTRICTS OR INTERMEDIATE DISTRICTS, AS DETERMINED BY THE DEPARTMENT OF LABOR AND ECONOMIC GROWTH, FOR ELIGIBLE PRECOLLEGE PROGRAMS IN ENGINEERING AND THE SCIENCES.

(2) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THE DEPARTMENT OF LABOR AND ECONOMIC GROWTH SHALL AWARD $680,100.00 FOR 2006-2007 TO THE 2 ELIGIBLE EXISTING PROGRAMS THAT RECEIVED FUNDS APPROPRIATED FOR THESE PURPOSES IN THE APPROPRIATIONS ACT CONTAINING THE DEPARTMENT OF LABOR AND ECONOMIC GROWTH BUDGET FOR 2005-2006.

(3) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THE DEPARTMENT OF LABOR AND ECONOMIC GROWTH SHALL AWARD $100,000.00 FOR 2006-2007 TO THE KALAMAZOO REGIONAL EDUCATION SERVICE AGENCY TO SUPPORT AN AREA PROGRAM SUBSTANTIALLY SIMILAR TO THE 2 ELIGIBLE EXISTING PROGRAMS RECEIVING FUNDS UNDER SUBSECTION (1).

(4) THE DEPARTMENT OF LABOR AND ECONOMIC GROWTH SHALL SUBMIT A REPORT TO THE APPROPRIATIONS SUBCOMMITTEES RESPONSIBLE FOR THIS ACT AND TO THE HOUSE AND SENATE FISCAL AGENCIES BY FEBRUARY 1, 2007 REGARDING DROPOUT RATES, GRADE POINT AVERAGES, ENROLLMENT IN SCIENCE, ENGINEERING, AND MATH-BASED CURRICULA, AND EMPLOYMENT IN SCIENCE, ENGINEERING, AND MATHEMATICS-BASED FIELDS FOR PUPILS WHO WERE ENROLLED IN THE PROGRAMS AWARDED FUNDS UNDER THIS SECTION OR UNDER PRECEDING LEGISLATION. THE REPORT SHALL CONTINUE TO EVALUATE THE EFFECTIVENESS OF THE PRECOLLEGE PROGRAMS IN ENGINEERING AND SCIENCES FUNDED UNDER THIS SECTION.

(5) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION MAY BE MADE PURSUANT TO AN AGREEMENT WITH THE DEPARTMENT.

Sec. 74. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed ~~$1,625,000.00~~ **$2,965,000.00** for ~~2005-2006~~ **2006-2007** for the purposes of ~~subsections (2) and (3)~~ **THIS SECTION**.

(2) From the allocation in subsection (1), there is allocated each fiscal year the amount necessary for payments to state supported colleges or universities and intermediate districts providing school bus driver safety instruction or driver skills road tests pursuant to sections 51 and 52 of the pupil transportation act, 1990 PA 187, MCL 257.1851 and 257.1852. The payments shall be in an amount determined by the department not to exceed 75% of the actual cost of instruction and driver compensation for each public or nonpublic school bus driver attending a course of instruction. For the purpose of computing compensation, the hourly rate allowed each school bus driver shall not exceed the hourly rate received for driving a school bus. Reimbursement compensating the driver during the course of instruction or driver skills road tests shall be made by the department to the college or university or intermediate district providing the course of instruction.

(3) From the allocation in subsection (1), there is allocated each fiscal year the amount necessary to pay the reasonable costs of nonspecial education auxiliary services transportation provided pursuant to section 1323 of the revised school code, MCL 380.1323. Districts funded under this subsection shall not receive funding under any other section of this act for nonspecial education auxiliary services transportation.

(4) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $1,340,000.00 FOR 2006-2007 FOR REIMBURSEMENT TO DISTRICTS AND INTERMEDIATE DISTRICTS FOR COSTS ASSOCIATED WITH THE INSPECTION OF SCHOOL BUSES AND PUPIL TRANSPORTATION VEHICLES BY THE DEPARTMENT OF STATE POLICE AS REQUIRED UNDER SECTION 715A OF THE MICHIGAN VEHICLE CODE, 1949 PA 300, MCL 257.715A, AND SECTION 39 OF THE PUPIL TRANSPORTATION ACT, 1990 PA 187, MCL 257.1839. THE DEPARTMENT OF STATE POLICE SHALL PREPARE A STATEMENT OF COSTS ATTRIBUTABLE TO EACH DISTRICT FOR WHICH BUS INSPECTIONS ARE PROVIDED AND SUBMIT IT TO THE DEPARTMENT AND TO EACH AFFECTED DISTRICT IN A TIME AND MANNER DETERMINED JOINTLY BY THE DEPARTMENT AND THE DEPARTMENT OF STATE POLICE. THE DEPARTMENT SHALL REIMBURSE EACH DISTRICT AND INTERMEDIATE DISTRICT FOR COSTS DETAILED ON THE STATEMENT WITHIN 30 DAYS AFTER RECEIPT OF THE STATEMENT. DISTRICTS FOR WHICH SERVICES ARE PROVIDED SHALL MAKE PAYMENT IN THE AMOUNT SPECIFIED ON THE STATEMENT TO THE DEPARTMENT OF STATE POLICE WITHIN 45 DAYS AFTER RECEIPT OF THE STATEMENT. THE TOTAL REIMBURSEMENT OF COSTS UNDER THIS SUBSECTION SHALL NOT EXCEED THE AMOUNT ALLOCATED UNDER THIS SUBSECTION.

Sec. 81. (1) Except as otherwise provided in this section, from the appropriation in section 11, there is allocated for ~~2005-2006~~ **2006-2007** to the intermediate districts the sum necessary, but not to exceed ~~$77,702,100.00~~ **$80,110,900.00**, to provide state aid to intermediate districts under this section. Except as otherwise provided in this section, there shall be allocated to each intermediate district for ~~2005-2006~~ **2006-2007** an amount equal to ~~100.0%~~ **103.1%** of the amount appropriated under this subsection for ~~2004-2005, excluding the portion that was allocated for the purposes of section 32j~~ **2005-2006**. Funding provided under this section shall be used to comply with requirements of this act and the revised school code that are applicable to intermediate districts, and for which funding is not provided elsewhere in this act, and to provide technical assistance to districts as authorized by the intermediate school board.

(2) IT IS THE INTENT OF THE LEGISLATURE THAT INTERMEDIATE DISTRICTS RECEIVING FUNDS UNDER THIS SECTION SHALL COLLABORATE WITH THE DEPARTMENT TO DEVELOP EXPANDED PROFESSIONAL DEVELOPMENT OPPORTUNITIES FOR TEACHERS TO UPDATE AND EXPAND THEIR KNOWLEDGE AND SKILLS NEEDED TO SUPPORT THE MICHIGAN MERIT CURRICULUM.

(3) ~~(2)~~ From the allocation in subsection (1), there is allocated to an intermediate district, formed by the consolidation or annexation of 2 or more intermediate districts or the attachment of a total intermediate district to another intermediate school district or the annexation of all of the constituent K-12 districts of a previously existing intermediate school district which has disorganized, an additional allotment of $3,500.00 each fiscal year for each intermediate district included in the new intermediate district for 3 years following consolidation, annexation, or attachment.

(4) ~~(3)~~ During a fiscal year, the department shall not increase an intermediate district's allocation under subsection (1) because of an adjustment made by the department during the fiscal year in the intermediate district's taxable value for a prior year. Instead, the department shall report the adjustment and the estimated amount of the increase to the house and senate fiscal agencies and the state budget director not later than June 1 of the fiscal year, and the legislature shall appropriate money for the adjustment in the next succeeding fiscal year.

(5) ~~(4)~~ In order to receive funding under this section, an intermediate district shall demonstrate to the satisfaction of the department that the intermediate district employs at least 1 person who is trained in pupil counting procedures, rules, and regulations.

Sec. 94a. (1) There is created within the office of the state budget director in the department of management and budget the center for educational performance and information. The center shall do all of the following:

(a) Coordinate the collection of all data required by state and federal law from all entities receiving funds under this act.

(b) Collect data in the most efficient manner possible in order to reduce the administrative burden on reporting entities.

(c) Establish procedures to ensure the validity and reliability of the data and the collection process.

(d) Develop state and model local data collection policies, including, but not limited to, policies that ensure the privacy of individual student data. State privacy policies shall ensure that student social security numbers are not released to the public for any purpose.

(e) Provide data in a useful manner to allow state and local policymakers to make informed policy decisions.

(f) Provide reports to the citizens of this state to allow them to assess allocation of resources and the return on their investment in the education system of this state.

(g) Assist all entities receiving funds under this act in complying with audits performed according to generally accepted accounting procedures.

(h) Other functions as assigned by the state budget director.

(2) Each state department, officer, or agency that collects information from districts or intermediate districts as required under state or federal law shall make arrangements with the center, and with the districts or intermediate districts, to have the center collect the information and to provide it to the department, officer, or agency as necessary. To the extent that it does not cause financial hardship, the center shall arrange to collect the information in a manner that allows electronic submission of the information to the center. Each affected state department, officer, or agency shall provide the center with any details necessary for the center to collect information as provided under this subsection. This subsection does not apply to information collected by the department of treasury under the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821; ~~1961 PA 108, MCL 388.951 to 388.963~~ **THE SCHOOL BOND QUALIFICATION, APPROVAL, AND LOAN ACT, 2005 PA 92, MCL 388.1921 TO 388.1939**; or section 1351a of the revised school code, MCL 380.1351a.

(3) The state budget director shall appoint a CEPI advisory committee, consisting of the following members:

(a) One representative from the house fiscal agency.

(b) One representative from the senate fiscal agency.

(c) One representative from the office of the state budget director.

(d) One representative from the state education agency.

(e) One representative each from the department of labor and economic growth and the department of treasury.

(f) Three representatives from intermediate school districts.

(g) One representative from each of the following educational organizations:

(*i*) Michigan association of school boards.

(*ii*) Michigan association of school administrators.

(*iii*) Michigan school business officials.

(h) One representative representing private sector firms responsible for auditing school records.

(i) Other representatives as the state budget director determines are necessary.

(4) The CEPI advisory committee appointed under subsection (3) shall provide advice to the director of the center regarding the management of the center's data collection activities, including, but not limited to:

(a) Determining what data is necessary to collect and maintain in order to perform the center's functions in the most efficient manner possible.

(b) Defining the roles of all stakeholders in the data collection system.

(c) Recommending timelines for the implementation and ongoing collection of data.

(d) Establishing and maintaining data definitions, data transmission protocols, and system specifications and procedures for the efficient and accurate transmission and collection of data.

(e) Establishing and maintaining a process for ensuring the accuracy of the data.

(f) Establishing and maintaining state and model local policies related to data collection, including, but not limited to, privacy policies related to individual student data.

(g) Ensuring the data is made available to state and local policymakers and citizens of this state in the most useful format possible.

(h) Other matters as determined by the state budget director or the director of the center.

(5) The center may enter into any interlocal agreements necessary to fulfill its functions.

(6) From the general fund appropriation in section 11, there is allocated an amount not to exceed ~~$2,000,000.00 for 2005-2006~~ **$2,350,000.00 FOR 2006-2007** to the department of management and budget to support the operations of the center **AND THE DEVELOPMENT AND IMPLEMENTATION OF A COMPREHENSIVE DATA MANAGEMENT AND STUDENT TRACKING SYSTEM**. The center shall cooperate with the state education agency to ensure that this state is in compliance with federal law and is maximizing opportunities for increased federal funding to improve education in this state. In addition, from the federal funds appropriated in section 11 for ~~2005-2006~~ **2006-2007**, there is allocated the amount necessary, estimated at $3,543,200.00 in order to fulfill federal reporting requirements**.** ~~:~~

~~(a) An amount not to exceed $839,000.00 funded from DED-OESE, title I, disadvantaged children funds.~~

~~(b) An amount not to exceed $55,700.00 funded from DED-OESE, title I, reading first state grant funds.~~

~~(c) An amount not to exceed $47,000.00 funded from DED-OESE, title I, migrant education funds.~~

~~(d) An amount not to exceed $285,000.00 funded from DED-OESE, improving teacher quality funds.~~

~~(e) An amount not to exceed $73,000.00 funded from DED-OESE, drug-free schools and communities funds.~~

~~(f) An amount not to exceed $150,000.00 funded under sections 611 to 619 of part B of the individuals with disabilities education act, title VI of Public Law 91-230, 20 USC 1411 to 1419.~~

~~(g) An amount not to exceed $13,500.00 for data collection systems, funded from DED-NCES, common core data funds.~~

~~(h) An amount not to exceed $400,000.00 for the collection and dissemination of state assessment data, funded from DED-OESE, title VI, state assessments funds.~~

~~(i) An amount not to exceed $80,000.00 for data collection systems, funded from DED-NCES, task award funds.~~

~~(j) An amount not to exceed $100,000.00 for data collection systems development funded from DED-NCES, performance based data management initiative.~~

(7) ~~(k) An~~ **FROM THE GENERAL FUND ALLOCATION UNDER SUBSECTION (6), THERE IS ALLOCATED FOR 2006-2007 AN** amount not to exceed ~~$1,500,000.00~~ **$1,850,000.00** to support the development and implementation of a comprehensive ~~K-12~~ **LONGITUDINAL EDUCATIONAL** data management and student tracking system**.** ~~,~~ **IN ADDITION, FROM THE FEDERAL FUNDS ALLOCATED IN SUBSECTION (6), THERE IS ALLOCATED FOR 2006-2007 AN AMOUNT NOT TO EXCEED $1,500,000.00** funded from the competitive grants of DED-OESE, title II, educational technology funds **FOR THE PURPOSES OF THIS SUBSECTION**. Not later than November 30, ~~2005~~ **2006**, the department shall award a single grant to an eligible partnership that includes an intermediate district with at least 1 high-need local school district and the center.

~~(7) If the center, in partnership with the department, receives a federal grant appropriated in the department's budget to support the development and implementation of a comprehensive data management and pupil tracking system, the center shall first expend those funds before expending funds allocated under this section.~~

(8) The center and the department shall work cooperatively to develop a cost allocation plan that pays for center expenses from the appropriate federal fund revenues.

(9) Funds allocated under this section that are not expended in the fiscal year in which they were allocated may be carried forward to a subsequent fiscal year.

(10) The center may bill departments as necessary in order to fulfill reporting requirements of state and federal law. The center may also enter into agreements to supply custom data, analysis, and reporting to other principal executive departments, state agencies, local units of government, and other individuals and organizations. The center may receive and expend funds in addition to those authorized in subsection (6) to cover the costs associated with salaries, benefits, supplies, materials, and equipment necessary to provide such data, analysis, and reporting services.

(11) As used in this section:

~~(a) "DED-NCES" means the United States department of education national center for education statistics.~~

(A) ~~(b)~~ "DED-OESE" means the United States department of education office of elementary and secondary education.

(B) ~~(c)~~ "High-need local school district" means a local educational agency as defined in the enhancing education through technology part of the no child left behind act of 2001, Public Law 107-110.

(C) ~~(d)~~ "State education agency" means the department.

Sec. 98. (1) From the **STATE SCHOOL AID FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $500,000.00 FOR 2006-2007 AND FROM THE** general fund money appropriated in section 11, there is allocated an amount not to exceed ~~$1,750,000.00 for 2005-2006~~ **$2,250,000.00 FOR 2006-2007** to provide a grant to the Michigan virtual university for the development, implementation, and operation of the Michigan virtual high school**; TO PROVIDE PROFESSIONAL DEVELOPMENT OPPORTUNITIES FOR EDUCATORS;** and to fund other purposes described in this section. In addition, from the federal funds appropriated in section 11, there is allocated for ~~2005-2006~~ **2006-2007** an amount estimated at ~~$2,250,000.00 from DED-OESE, title II, improving teacher quality funds~~ **$3,250,000.00**.

(2) The Michigan virtual high school shall have the following goals:

(a) Significantly expand curricular offerings for high schools across this state through agreements with districts or licenses from other recognized providers. The Michigan virtual high school shall explore options for providing rigorous civics curricula online.

(b) Create statewide instructional models using interactive multimedia tools delivered by electronic means, including, but not limited to, the internet, digital broadcast, or satellite network, for distributed learning at the high school level.

(c) Provide pupils with opportunities to develop skills and competencies through on-line learning.

~~(d) Offer teachers opportunities to learn new skills and strategies for developing and delivering instructional services.~~

~~(e) Accelerate this state's ability to respond to current and emerging educational demands.~~

(D) PROVIDE ONLINE TEST PREPARATION RESOURCES FOR PUPILS.

(E) ~~(f)~~ Grant high school diplomas through a dual enrollment method with districts.

(F) ~~(g)~~ Act as a broker for college level equivalent courses, as defined in section 1471 of the revised school code, MCL 380.1471, and dual enrollment courses from postsecondary education institutions.

(3) FROM THE GENERAL FUND MONEY ALLOCATED IN SUBSECTION (1), AN AMOUNT ESTIMATED AT, BUT NOT TO EXCEED $500,000.00, SHALL BE USED BY THE MICHIGAN VIRTUAL HIGH SCHOOL TO PROVIDE ONLINE TEST PREPARATION RESOURCES FOR ALL MICHIGAN HIGH SCHOOL PUPILS USING WEB-BASED TOOLS THAT ALIGN WITH THE MICHIGAN MERIT EXAM REQUIREMENTS, INCLUDING THE ACT AND THE REVISED MEAP EXAM. THESE RESOURCES SHALL INCLUDE THE FOLLOWING:

(A) PRACTICE TEST OPPORTUNITIES FOR STUDENTS.

(B) INFORMATION ON EFFECTIVE TEST TAKING STRATEGIES.

(C) DIAGNOSTIC TOOLS TO IDENTIFY STUDENT LEARNING GAPS.

(D) SELF-PACED ONLINE INSTRUCTIONAL TUTORIALS.

(E) ELECTRONIC REPORTS THAT PROVIDE FEEDBACK FOR STUDENTS AND SCHOOL PERSONNEL.

(4) ~~(3)~~ The Michigan virtual high school course offerings shall include, but are not limited to, all of the following:

(a) Information technology courses.

(b) College level equivalent courses, as defined in section 1471 of the revised school code, MCL 380.1471.

(c) Courses and dual enrollment opportunities.

(d) Programs and services for at-risk pupils.

(e) General education development test preparation courses for adjudicated youth.

(f) Special interest courses.

(g) Professional development programs and services for teachers.

(5) ~~(4)~~ **FROM THE FEDERAL FUNDS ALLOCATED IN SUBSECTION (1), THERE IS ALLOCATED FOR 2006-2007 AN AMOUNT ESTIMATED AT $2,250,000.00 FROM DED-OESE, TITLE II, IMPROVING**

TEACHER QUALITY FUNDS FOR A GRANT TO THE MICHIGAN VIRTUAL UNIVERSITY FOR THE PURPOSE OF THIS SUBSECTION. The state education agency shall sign a memorandum of understanding with the Michigan virtual university regarding the DED-OESE, title II, improving teacher quality funds as provided under this subsection. The memorandum of understanding under this subsection shall require that the Michigan virtual university coordinate the following activities related to DED-OESE, title II, improving teacher quality funds in accordance with federal law:

(a) Develop, and assist districts in the development and use of, proven, innovative strategies to deliver intensive professional development programs that are both cost-effective and easily accessible, such as strategies that involve delivery through the use of technology, peer networks, and distance learning.

(b) Encourage and support the training of teachers and administrators to effectively integrate technology into curricula and instruction.

(c) Coordinate the activities of eligible partnerships that include higher education institutions for the purposes of providing professional development activities for teachers, paraprofessionals, and principals as defined in federal law.

(D) OFFER TEACHERS OPPORTUNITIES TO LEARN NEW SKILLS AND STRATEGIES FOR DEVELOPING AND DELIVERING INSTRUCTIONAL SERVICES.

(E) PROVIDE ONLINE PROFESSIONAL DEVELOPMENT OPPORTUNITIES FOR EDUCATORS TO UPDATE AND EXPAND KNOWLEDGE AND SKILLS NEEDED TO SUPPORT THE MICHIGAN MERIT CURRICULUM CORE CONTENT STANDARDS AND CREDIT REQUIREMENTS.

~~(5) If a home-schooled or nonpublic school student is a resident of a district that subscribes to services provided by the Michigan virtual high school, the student may use the services provided by the Michigan virtual high school to the district without charge to the student beyond what is charged to a district pupil using the same services.~~

~~(6) From the allocations in subsection (1), the amount necessary, not to exceed $1,250,000.00, shall be used to provide online professional development for classroom teachers. This allocation is intended to be for the last of 3 years. These funds may be used for designing and building courses, marketing and outreach, workshops and evaluation, content acquisition, technical assistance, project management, and customer support. The Michigan virtual university shall offer at least 5 hours of online professional development for classroom teachers under this section each fiscal year beginning in 2004-2005 without charge to the teachers or to districts or intermediate districts.~~

(6) ~~(7)~~ **THE MICHIGAN VIRTUAL UNIVERSITY SHALL OFFER AT LEAST 200 HOURS OF ONLINE PROFESSIONAL DEVELOPMENT FOR CLASSROOM TEACHERS UNDER THIS SECTION EACH FISCAL YEAR BEGINNING IN 2006-2007 WITHOUT CHARGE TO THE TEACHERS OR TO DISTRICTS OR INTERMEDIATE DISTRICTS.** A district or intermediate district may require a full-time teacher to participate in at least 5 hours of online professional development provided by the Michigan virtual university under subsection ~~(6)~~ **(5)**. Five hours of this professional development shall be considered to be part of the ~~51~~ **38** hours allowed to be counted as hours of pupil instruction under section 101(10).

(7) ~~(8) In addition to the other funds allocated under this section, from~~ **FROM** the federal funds appropriated in ~~section 11~~ **SUBSECTION (1)**, there is allocated for ~~2005-2006~~ **2006-2007** an amount estimated at $1,000,000.00 from the DED-OESE, title II, educational technology grant funds to support e-learning and virtual school initiatives consistent with the goals contained in the United States national educational technology plan issued in January 2005. **NOT LATER THAN NOVEMBER 30, 2006, FROM THE FUNDS ALLOCATED IN THIS SUBSECTION, THE DEPARTMENT SHALL AWARD A SINGLE GRANT OF $1,000,000.00 TO A CONSORTIUM OR PARTNERSHIP ESTABLISHED BY THE MICHIGAN VIRTUAL UNIVERSITY THAT MEETS THE REQUIREMENTS OF THIS SUBSECTION. TO BE ELIGIBLE FOR THIS FUNDING, A CONSORTIUM OR PARTNERSHIP ESTABLISHED BY THE MICHIGAN VIRTUAL UNIVERSITY SHALL INCLUDE AT LEAST 1 INTERMEDIATE DISTRICT AND AT LEAST 1 HIGH-NEED LOCAL DISTRICT. ALL OF THE FOLLOWING APPLY TO THIS FUNDING:**

(A) AN ELIGIBLE CONSORTIUM OR PARTNERSHIP MUST DEMONSTRATE THE FOLLOWING:

(*i*) PRIOR SUCCESS IN DELIVERING ONLINE COURSES AND INSTRUCTIONAL SERVICES TO K-12 PUPILS THROUGHOUT THIS STATE.

(*ii*) EXPERTISE IN DESIGNING, DEVELOPING, AND EVALUATING ONLINE K-12 COURSE CONTENT.

(*iii*) EXPERIENCE IN MAINTAINING A STATEWIDE HELP DESK SERVICE FOR PUPILS, ONLINE TEACHERS, AND OTHER SCHOOL PERSONNEL.

(*iv*) KNOWLEDGE AND EXPERIENCE IN PROVIDING TECHNICAL ASSISTANCE AND SUPPORT TO K-12 SCHOOLS IN THE AREA OF ONLINE EDUCATION.

(*v*) EXPERIENCE IN TRAINING AND SUPPORTING K-12 EDUCATORS IN THIS STATE TO TEACH ONLINE COURSES.

(*vi*) DEMONSTRATED TECHNICAL EXPERTISE AND CAPACITY IN MANAGING COMPLEX TECHNOLOGY SYSTEMS.

(*vii*) EXPERIENCE PROMOTING TWENTY-FIRST CENTURY LEARNING SKILLS THROUGH THE USE OF ONLINE TECHNOLOGIES.

(B) The Michigan virtual university, which operates the Michigan virtual high school, shall perform the following tasks related to this funding:

(*i*) ~~(a)~~ Examine the curricular and specific course content needs of middle and high school students in the areas of mathematics and science.

(*ii*) ~~(b)~~ Design, develop, and acquire online courses and related supplemental resources aligned to state standards to create a comprehensive and rigorous statewide catalog of online courses and instructional services.

(*iii*) ~~(c)~~ Conduct a demonstration pilot to promote new and innovative online courses and instructional services.

(*iv*) ~~(d)~~ Evaluate existing online teaching and learning practices and develop continuous improvement strategies to enhance student achievement.

(*v*) ~~(e)~~ Develop, support, and maintain the technology infrastructure and related software required to deliver online courses and instructional services to students statewide.

~~(f) Begin to develop a web-based practice assessment and classroom remediation program that includes reading, mathematics, social science, and science for pupils in grades 3 to 8. The Michigan virtual high school may contract with an outside provider to provide the services under this subdivision. The program must meet all of the following:~~

~~(*i*) Have the ability to register pupils online.~~

~~(*ii*) Be accessible on the internet.~~

~~(*iii*) Provide test results immediately upon completion of the test.~~

~~(*iv*) Provide remedial services by linking to textbooks in the classroom.~~

~~(*v*) Provide results that are reported to the district superintendent, the school principal, and the department and are made available to parents, and that are tracked by pupil, classroom, school, and district.~~

~~(9) Not later than November 30, 2005, from the funds allocated in subsection (8), the department shall award a single grant of $1,000,000.00 to a consortium or partnership established by the Michigan virtual university that meets the requirements of this section. To be eligible for this funding, a consortium or partnership established by the Michigan virtual university shall include at least 1 intermediate district and at least 1 high-need local district. An eligible consortium or partnership must demonstrate the following:~~

~~(a) Prior success in delivering online courses and instructional services to K-12 students throughout this state.~~

~~(b) Expertise in designing, developing, and evaluating online K-12 course content.~~

~~(c) Experience in maintaining a statewide help desk service for students, online teachers, and other school personnel.~~

~~(d) Knowledge and experience in providing technical assistance and support to K-12 schools in the area of online education.~~

~~(e) Experience in training and supporting K-12 educators in this state to teach online courses.~~

~~(f) Demonstrated technical expertise and capacity in managing complex technology systems.~~

~~(g) Experience promoting twenty-first century learning skills through the innovative use of online technologies.~~

(8) FROM THE STATE SCHOOL AID FUND ALLOCATION IN SUBSECTION (1), AN AMOUNT NOT TO EXCEED $500,000.00 FOR 2006-2007 SHALL BE AWARDED AS A SINGLE GRANT TO AN INTERMEDIATE DISTRICT WORKING IN PARTNERSHIP WITH THE MICHIGAN VIRTUAL HIGH SCHOOL FOR A STATEWIDE LICENSE FOR "MY DREAM EXPLORER", A CAREER EXPLORATION AND PLANNING TOOL, TO BE MADE AVAILABLE TO ALL PUPILS AT NO COST.

(9) IF A HOME-SCHOOLED OR NONPUBLIC SCHOOL STUDENT IS A RESIDENT OF A DISTRICT THAT SUBSCRIBES TO SERVICES PROVIDED BY THE MICHIGAN VIRTUAL HIGH SCHOOL, THE STUDENT MAY USE THE SERVICES PROVIDED BY THE MICHIGAN VIRTUAL HIGH SCHOOL TO THE DISTRICT WITHOUT CHARGE TO THE STUDENT BEYOND WHAT IS CHARGED TO A DISTRICT PUPIL USING THE SAME SERVICES.

(10) ALL ACTIVITIES FUNDED UNDER THIS SECTION RELATING TO SCIENCE SHALL INCLUDE THE USE OF THE SCIENTIFIC METHOD TO CRITICALLY EVALUATE SCIENTIFIC THEORIES AND THE USE OF RELEVANT SCIENTIFIC DATA TO ASSESS THE VALIDITY OF THOSE THEORIES.

(11) ~~(10)~~ As used in this section:

(a) "DED-OESE" means the United States department of education office of elementary and secondary education.

(b) "High-need local district" means a local educational agency as defined in the enhancing education through technology part of the no child left behind act of 2001, Public Law 107-110.

(c) "State education agency" means the department.

Sec. 98b. (1) From the federal funds appropriated in section 11 there is allocated for ~~2005-2006~~ **2006-2007** an amount not to exceed ~~$2,500,000.00 from the competitive grants of DED-OESE, title II, educational technology grants funds, and an amount not to exceed $3,000,000.00~~ **$1,500,000.00** from funds carried forward from ~~2003-2004~~ **2005-2006** from unexpended DED-OESE, title II, educational technology grants funds, for the freedom to learn program described in this section. ~~In addition, from the state school aid fund money appropriated in section 11, there is allocated for 2005-2006 an amount not to exceed $250,000.00 for the purposes of this section.~~

(2) The allocations in subsection (1) shall be used to develop, implement, and operate the freedom to learn program and make program grants. The goal of the program is to achieve one-to-one access to wireless technology for K-12

pupils through statewide and local public-private partnerships. To implement the program, the state education agency shall sign a memorandum of understanding with ~~Ferris state university~~ **THE INDEPENDENT INSTITUTE** that provides for joint administration of program grants under this subsection**.** ~~and authorizes the creation of an independent institute. If sufficient private funds are obtained for this purpose, Ferris state university shall create an independent institute to assume responsibility for the freedom to learn program and to use the allocations in subsection (1) and any funds from alternative sources to do all of the following:~~

~~(a) Carry out all goals and activities of the freedom to learn program described in this section.~~

~~(b) Establish itself as a national leadership organization in 1-to-1 research, development, and mentoring.~~

~~(c) Garner new public and private resources for school participation in the freedom to learn program and other 1-to-1 learning programs.~~

(3) ~~Ferris state university~~ **THE INDEPENDENT INSTITUTE** and the state education agency shall make grants to districts as described in this section. In awarding the grants, ~~Ferris state university~~ **THE INDEPENDENT INSTITUTE** and the state education agency shall give priority to applications that demonstrate that the district's program will meet all of the following:

(a) Will be ready for immediate implementation and will have begun professional development on technology integration in the classroom.

(b) Will utilize state structure and resources for professional development, as coordinated by ~~Ferris state university~~ **THE INDEPENDENT INSTITUTE**.

(c) Will opt to participate in the statewide partnership described in subsection ~~(10)~~ **(8)** or will participate in an approved alternative 1-to-1 deployment described in subsection ~~(11)~~ **(9)**.

(d) Will agree to participate in the program and its professional development and evaluation components**.** ~~for 4 years.~~

(4) The amount of program grants to districts is estimated at ~~$250.00~~ **$1,000.00** per pupil in membership in grade 6 in ~~2005-2006~~ **2006-2007**, or in another grade allowed in this section, or per grade 6 teacher if the funding is awarded in a ratio of at least 20 pupils funded for each teacher funded. The state education agency and ~~Ferris state university~~ **THE INDEPENDENT INSTITUTE** shall establish grant criteria that maximize the distribution of federal funds to achieve the ~~$250.00~~ **$1,000.00** per pupil or teacher in districts that qualify for federal funds. To qualify for a grant under this section, a district shall submit an application to the state education agency and ~~Ferris state university~~ **THE INDEPENDENT INSTITUTE** and complete the application process established by the state education agency and ~~Ferris state university~~ **THE INDEPENDENT INSTITUTE**. The application shall include at least all of the following:

(a) If the district is applying for federal funds, how the district will meet the requirements of the competitive grants under DED-OESE, title II, part D.

(b) How the district will provide the opportunity for each pupil in membership in grade 6 to receive a wireless computing device. If the district has already achieved one-to-one wireless access in grade 6 or if the district's school building grade configuration makes implementation of the program for grade 6 impractical, the district may apply for a grant for the next highest grade. If the district does not have a grade 6 or higher, the district may apply for funding for the next lowest grade level. If the district operates 1 or more schools that are not meeting adequate yearly progress, as determined by the department, and that contain grade 6, the district may apply for funding for a school building-wide program for 1 or more of those schools. A public school academy that does not offer a grade higher than grade 5 may apply to receive a grant under this section for pupils in the highest grade offered by the public school academy.

(c) The district shall submit a plan describing the uses of the grant funds. The plan shall describe a plan for professional development on technology integration, content and curriculum, and local partnerships with the other districts and representatives from businesses, industry, and higher education. The plan shall include at least the following:

(*i*) The academic achievement goals, which may include, but are not limited to, goals related to mathematics, science, and language arts.

(*ii*) The engagement goals, which may include, but are not limited to, goals related to retention rates, dropout rates, detentions, and suspensions.

(*iii*) The professional development goals, which may include, but are not limited to, goals related to staff and teacher development and performance indicators.

(d) A 3- to 5-year plan or funding model for increasing the share that is borne locally of the expenditures for one-to-one wireless access. ~~Ferris state university~~ **THE INDEPENDENT INSTITUTE** shall provide districts with sample local plans and funding models for the purposes of this subdivision and with information on available federal and private resources.

(e) How the district will amend its local technology plan as required under state and federal law to reflect the program under this section.

~~(5) A district that receives a grant under this section shall provide at least a $25.00 per pupil match for grant money received under this section from local public or private resources.~~

(5) ~~(6)~~ The amount of a grant under this section to a single district for a fiscal year shall not exceed 25% of the total amount available for grants under this section for that fiscal year.

(6) ~~(7)~~ A district that received money under section 98 in 2002-2003 for a wireless technology grant is eligible to receive a grant under this section.

~~(8) The federal funding under subsection (1) shall be used first to provide the grants under this subsection. A district described in this subsection shall apply to Ferris state university and the state education agency for a grant in the form and manner prescribed by the department. An application under this section is not subject to the requirements of subsection (3) if the application demonstrates that the program will meet all of the following:~~

~~(a) Will continue as a demonstration program.~~

~~(b) Will provide regional assistance to schools that are not meeting adequate yearly progress, as determined by the department, and to new grant recipients, as directed by the state education agency and Ferris state university.~~

~~(c) Will seek to expand its existing wireless technology initiatives.~~

(7) ~~(9)~~ Not more than 25% of the DED-OESE, title II, educational technology grants funds under subsection (1) that are allocated for grants to districts that participate in the statewide public-private partnership under subsection ~~(10)~~ **(8)** may be used to provide statewide professional development that will be coordinated by ~~Ferris state university~~ **THE INDEPENDENT INSTITUTE**.

(8) ~~(10)~~ The department of management and budget shall maintain a statewide public-private partnership to implement the program.

(9) ~~(11)~~ A district may elect to purchase or lease wireless computing devices from a vendor other than the statewide partnership described in subsection ~~(10)~~ **(8)** if ~~Ferris state university~~ **THE INDEPENDENT INSTITUTE** determines that the vendor meets or exceeds minimum requirements and the vendor is identified in the district's grant application. Districts may apply to receive additional grants of ~~$250.00~~ **$1,000.00** per pupil for use in professional development activities specific to the alternative deployment solution instead of the statewide professional development as described under subsection ~~(9)~~ **(7)**.

(10) ~~(12)~~ The state education agency shall sign a memorandum of understanding with ~~Ferris state university~~ **THE INDEPENDENT INSTITUTE** regarding DED-OESE, title II, educational technology grants, as provided under this subsection not later than October 1, ~~2005~~ **2006**. ~~Ferris state university~~ **THE INDEPENDENT INSTITUTE** shall coordinate activities described in this subsection with the freedom to learn grants described under this section. The memorandum of understanding shall require that ~~Ferris state university~~ **THE INDEPENDENT INSTITUTE** coordinate the following state activities related to DED-OESE, title II, educational technology grants in accordance with federal law:

(a) Assist in the development of innovative strategies for the delivery of specialized or rigorous academic courses and curricula through the use of technology, including distance learning technologies.

(b) Establish and support public-private initiatives for the acquisition of educational technology.

(11) ~~(13)~~ Funds allocated under this section that are not expended in the state fiscal year for which they were allocated may be carried forward to a subsequent state fiscal year.

(12) ~~(14)~~ It is the intent of the legislature that all plans or applications submitted by the state education agency to the United States department of education relating to the distribution of federal funds under this section are for the purposes described in this section.

(13) ~~(15)~~ The state education agency shall ensure that the program goals and plans for the freedom to learn program are contained in the state technology plan required by federal law.

~~(16) From the funds allocated under this section from the state school aid fund, an amount not to exceed $250,000.00 is allocated to Ferris state university to be used for statewide administration of the freedom to learn program.~~

(14) ~~(17)~~ Notwithstanding section 17b, payments under this section may be made pursuant to an agreement with the department.

(15) ~~(18)~~ It is the intent of the legislature that this state will seek to raise private funds for the current and future funding of the freedom to learn program under this section and all of the program components.

(16) ~~(19)~~ As used in this section:

(a) "DED-OESE" means the United States department of education office of elementary and secondary education.

(B) "INDEPENDENT INSTITUTE" MEANS THE INDEPENDENT INSTITUTE CREATED UNDER THIS SECTION AS IT WAS IN EFFECT FOR 2005-2006.

(C) ~~(b)~~ "State education agency" means the department.

SEC. 98C. FROM THE GENERAL FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED FOR 2006-2007 AN AMOUNT NOT TO EXCEED $1,000,000.00 FOR WEB-BASED PRACTICE ASSESSMENTS. THE DEPARTMENT SHALL CONTRACT FOR A WEB-BASED PRACTICE ASSESSMENT AND CLASSROOM REMEDIATION PROGRAM THAT INCLUDES READING, MATHEMATICS, SOCIAL SCIENCE, AND SCIENCE FOR UP TO 240,000 PUPILS IN GRADES 6, 7, AND 8. PRIORITY SHALL BE PLACED ON PROVIDING PRACTICE ASSESSMENTS IN MATHEMATICS FOR UP TO 240,000 OF THE STATE'S PUPILS IN GRADES 6, 7, AND 8 IN ORDER TO HELP PREPARE THEM FOR THE MICHIGAN MERIT STANDARD GRADUATION REQUIREMENTS. TO BE ELIGIBLE FOR FUNDING UNDER THIS SECTION, A PROGRAM SHALL MEET ALL OF THE FOLLOWING:

(A) HAVE THE ABILITY TO REGISTER PUPILS ONLINE.

(B) BE ACCESSIBLE OVER THE INTERNET.

(C) PROVIDE TEST RESULTS IMMEDIATELY UPON COMPLETION OF THE TEST.

(D) PROVIDE REMEDIAL SERVICE BY LINKING TO TEXTBOOKS IN THE CLASSROOM.

(E) PROVIDE RESULTS THAT ARE REPORTED TO THE DISTRICT SUPERINTENDENT, THE SCHOOL PRINCIPAL, PARENTS, PUPILS, THE DEPARTMENT, AND THE TEACHER TRAINING INSTITUTIONS OF THIS STATE AND THAT ARE TRACKED BY PUPIL, CLASSROOM, SCHOOL, AND DISTRICT.

Sec. 99. (1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed ~~$2,416,000.00 for 2005-2006~~ **$3,416,000.00 FOR 2006-2007** and from the general fund appropriation in section 11, there is allocated an amount not to exceed $84,000.00 for ~~2005-2006~~ **2006-2007** for implementing the comprehensive master plan for mathematics and science centers developed by the department and approved by the state board on August 8, 2002**, AND FOR OTHER PURPOSES AS DESCRIBED IN THIS SECTION**. In addition, from the federal funds appropriated in section 11, there is allocated for ~~2005-2006~~ **2006-2007** an amount estimated at $4,456,000.00 from DED-OESE, title II, mathematics and science partnership grants.

(2) Within a service area designated locally, approved by the department, and consistent with the master plan described in subsection (1), an established mathematics and science center shall address 2 or more of the following 6 basic services, as described in the master plan, to constituent districts and communities: leadership, pupil services, curriculum support, community involvement, professional development, and resource clearinghouse services.

(3) The department shall not award a state grant under this section to more than 1 mathematics and science center located in a designated region as prescribed in the 2002 master plan unless each of the grants serves a distinct target population or provides a service that does not duplicate another program in the designated region.

(4) As part of the technical assistance process, the department shall provide minimum standard guidelines that may be used by the mathematics and science center for providing fair access for qualified pupils and professional staff as prescribed in this section.

(5) Allocations under this section to support the activities and programs of mathematics and science centers shall be continuing support grants to all 33 established mathematics and science centers. Each established mathematics and science center that was funded in ~~2003-2004~~ **2005-2006** shall receive state funding in an amount equal to **100% OF** the amount it received under this section for ~~2003-2004~~ **2005-2006**. If a center declines state funding or a center closes, the remaining money available under this section shall be distributed on a pro rata basis to the remaining centers, as determined by the department.

(6) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), THERE IS ALLOCATED $1,000,000.00 IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT TO THOSE CENTERS ABLE TO PROVIDE CURRICULUM AND PROFESSIONAL DEVELOPMENT SUPPORT TO ASSIST DISTRICTS IN IMPLEMENTING THE MICHIGAN MERIT CURRICULUM COMPONENTS FOR MATHEMATICS AND SCIENCE. FUNDING UNDER THIS SUBSECTION IS IN ADDITION TO FUNDING UNDER SUBSECTION (5).

(7) ~~(6)~~ In order to receive state funds under this section, a grant recipient shall allow access for the department or the department's designee to audit all records related to the program for which it receives such funds. The grant recipient shall reimburse the state for all disallowances found in the audit.

(8) ~~(7)~~ Not later than September 30, 2007, the department shall reevaluate and update the comprehensive master plan described in subsection (1).

(9) ~~(8)~~ The department shall give preference in awarding the federal grants allocated in subsection (1) to eligible existing mathematics and science centers.

(10) ~~(9)~~ In order to receive state funds under this section, a grant recipient shall provide at least a 10% local match from local public or private resources for the funds received under this section.

(11) ALL ACTIVITIES FUNDED UNDER THIS SECTION RELATING TO SCIENCE SHALL INCLUDE THE USE OF THE SCIENTIFIC METHOD TO CRITICALLY EVALUATE SCIENTIFIC THEORIES AND THE USE OF RELEVANT SCIENTIFIC DATA TO ASSESS THE VALIDITY OF THOSE THEORIES.

(12) ~~(10)~~ As used in this section:

(a) "DED" means the United States department of education.

(b) "DED-OESE" means the DED office of elementary and secondary education.

SEC. 99C. (1) FROM THE STATE SCHOOL AID FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $20,000,000.00 FOR 2006-2007 FOR PAYMENTS TO DISTRICTS UNDER THIS SECTION FOR THE MIDDLE SCHOOL MATHEMATICS INITIATIVE TO ACHIEVE THE MIDDLE SCHOOL MATHEMATICS STANDARDS AND BENCHMARKS ADOPTED BY THE STATE BOARD.

(2) THE AMOUNT OF THE PAYMENT TO EACH DISTRICT FOR 2006-2007 SHALL BE AN EQUAL AMOUNT PER PUPIL FOR EACH PUPIL ACTUALLY ENROLLED AND ATTENDING SCHOOL IN THE DISTRICT IN GRADES 6 TO 8. PAYMENTS TO A DISTRICT UNDER THIS SECTION FOR SUBSEQUENT FISCAL YEARS SHALL BE AS DESCRIBED IN SUBSECTION (4).

(3) A DISTRICT SHALL USE FUNDS RECEIVED UNDER THIS SECTION FOR ACTIVITIES AND EFFORTS DESIGNED TO IMPROVE PUPIL PERFORMANCE IN MATHEMATICS.

(4) IT IS THE INTENT OF THE LEGISLATURE TO CONTINUE TO ALLOCATE FUNDS UNDER THIS SECTION FOR SUBSEQUENT FISCAL YEARS BASED ON IMPROVED PUPIL PERFORMANCE IN MATHEMATICS. IT IS ALSO THE INTENT OF THE LEGISLATURE TO DEVELOP STANDARDS FOR DETERMINING IMPROVEMENT IN PUPIL PERFORMANCE BY MARCH 1, 2007.

SEC. 99D. (1) FROM THE STATE SCHOOL AID FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED FOR 2006-2007 AN AMOUNT NOT TO EXCEED $100,000.00 FOR GRANTS TO DISTRICTS FOR PURCHASING AUTOMATED EXTERNAL DEFIBRILLATORS.

(2) TO BE ELIGIBLE TO RECEIVE A GRANT UNDER THIS SECTION, A DISTRICT SHALL MEET ALL OF THE FOLLOWING:

(A) SHALL APPLY TO THE DEPARTMENT IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT.

(B) SHALL PROVIDE AT LEAST A 50% LOCAL MATCH FROM LOCAL PUBLIC OR PRIVATE RESOURCES FOR THE FUNDS RECEIVED UNDER THIS SECTION.

(C) SHALL MEET OTHER CRITERIA THAT ARE ESTABLISHED BY THE DEPARTMENT AND DESIGNED TO MAXIMIZE THE EFFECTIVENESS OF THE GRANT FUNDS.

(3) GRANTS SHALL BE AWARDED TO DISTRICTS UNDER THIS SECTION IN DESCENDING ORDER OF A DISTRICT'S PERCENTAGE OF PUPILS WHO MET THE INCOME ELIGIBILITY CRITERIA FOR FREE BREAKFAST, LUNCH, OR MILK AS DETERMINED UNDER THE RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT AND AS REPORTED TO THE DEPARTMENT BY OCTOBER 31, 2005 AND ADJUSTED NOT LATER THAN DECEMBER 31, 2005.

(4) THE DEPARTMENT SHALL NOT AWARD A GRANT TO A DISTRICT UNDER THIS SECTION TO PURCHASE MORE THAN 1 AUTOMATED EXTERNAL DEFIBRILLATOR UNLESS THE DEPARTMENT DETERMINES THAT EACH DISTRICT EITHER HAS AT LEAST 1 AUTOMATED EXTERNAL DEFIBRILLATOR OR HAS BEEN AWARDED A GRANT UNDER THIS SECTION FOR PURCHASING 1 AUTOMATED EXTERNAL DEFIBRILLATOR. AFTER THAT POINT, UNTIL THE TOTAL AMOUNT ALLOCATED UNDER THIS SECTION HAS BEEN USED, THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS IN THE SAME ORDER AS PRESCRIBED IN SUBSECTION (3) IN SUFFICIENT AMOUNT TO ENSURE THAT THE DISTRICT RECEIVING A GRANT FOR MORE THAN 1 AUTOMATED EXTERNAL DEFIBRILLATOR WILL HAVE ENOUGH AUTOMATED EXTERNAL DEFIBRILLATORS AFTER THE GRANT TO PLACE 1 IN EACH HIGH SCHOOL IT OPERATES.

(5) A DISTRICT RECEIVING A GRANT UNDER THIS SECTION MAY DECIDE WHERE TO PLACE AN AUTOMATED EXTERNAL DEFIBRILLATOR PURCHASED PURSUANT TO THE GRANT.

(6) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION MAY BE MADE PURSUANT TO AN AGREEMENT WITH THE DEPARTMENT.

SEC. 99E. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS ALLOCATED THE AMOUNT OF $125,000.00 FOR 2006-2007 TO A DISTRICT THAT MEETS ALL OF THE FOLLOWING REQUIREMENTS:

(A) THE DISTRICT'S MEMBERSHIP HAS GROWN BY AT LEAST 20% BETWEEN 2004-2005 AND 2005-2006.

(B) AT LEAST 60% OF THE PUPILS IN THE DISTRICT WERE ELIGIBLE FOR FREE OR REDUCED LUNCH FOR 2005-2006.

(C) THE DISTRICT LEVIES AT LEAST 10 MILLS FOR THE PURPOSE OF DEBT RETIREMENT.

(D) THE DISTRICT HAD AN EMERGENCY FINANCIAL MANAGER IN PLACE DURING 2004-2005.

(2) THE FUNDS ALLOCATED UNDER SUBSECTION (1) SHALL BE USED TO SUPPLEMENT THE DISTRICT'S OPERATIONAL FUNDS AS COMPENSATION FOR HAVING RECEIVED A REDUCED FOUNDATION ALLOWANCE DUE TO PRORATION WHILE HAVING HAD AN EMERGENCY FINANCIAL MANAGER IN PLACE.

(3) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION MAY BE MADE PURSUANT TO AN AGREEMENT WITH THE DEPARTMENT.

SEC. 99F. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $350,000.00 FOR A PILOT PROGRAM AS PROVIDED FOR IN THIS SECTION. THE DEPARTMENT SHALL MAKE GRANTS TO DISTRICTS AND INTERMEDIATE DISTRICTS AS PROVIDED IN THIS SECTION FOR SCHOOL BUILDING SECURITY MAPPING FOR USE BY RESPONSE AGENCIES THAT ARE CALLED TO RESPOND TO AN EMERGENCY SUCH AS THE RELEASE OF A HAZARDOUS MATERIAL, THE PRESENCE OF AN ARMED INDIVIDUAL ON OR NEAR THE PREMISES, AN ACT OF TERRORISM, OR A RELATED EMERGENCY. THIS MAPPING SHALL BE CONDUCTED BY EITHER THE MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS OR THE MICHIGAN STATE POLICE EMERGENCY MANAGEMENT DIVISION.

(2) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), THE DEPARTMENT SHALL AWARD $105,000.00 TO AN INTERMEDIATE DISTRICT THAT MEETS ALL OF THE FOLLOWING:

(A) THE TOTAL COMBINED MEMBERSHIP OF ALL OF THE INTERMEDIATE DISTRICT'S CONSTITUENT DISTRICTS IS LESS THAN 10,000.

(B) THE INTERMEDIATE DISTRICT HAD A 2005 TAXABLE VALUE PER PUPIL OF LESS THAN $200,000.00.

(C) THE INTERMEDIATE DISTRICT HAS 5 CONSTITUENT DISTRICTS, EXCLUDING PUBLIC SCHOOL ACADEMIES.

(3) SUBJECT TO SUBSECTION (7), FROM THE FUNDS ALLOCATED IN SUBSECTION (1), THE DEPARTMENT SHALL AWARD $84,000.00 IN GRANTS OF $28,000.00 EACH TO EACH OF 3 INTERMEDIATE DISTRICTS THAT MEET ALL OF THE FOLLOWING:

(A) THE TOTAL COMBINED MEMBERSHIP OF ALL OF THE INTERMEDIATE DISTRICT'S CONSTITUENT DISTRICTS IS MORE THAN 25,000 BUT LESS THAN 35,000.

(B) THE INTERMEDIATE DISTRICT HAD A 2005 TAXABLE VALUE PER PUPIL OF LESS THAN $200,000.00.

(C) THE INTERMEDIATE DISTRICT HAS NO MORE THAN 16 CONSTITUENT DISTRICTS.

(4) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), THE DEPARTMENT SHALL AWARD $28,000.00 TO AN INTERMEDIATE DISTRICT THAT MEETS ALL OF THE FOLLOWING:

(A) THE TOTAL COMBINED MEMBERSHIP OF ALL OF THE INTERMEDIATE DISTRICT'S CONSTITUENT DISTRICTS IS LESS THAN 4,000.

(B) THE INTERMEDIATE DISTRICT HAD A 2005 TAXABLE VALUE PER PUPIL OF LESS THAN $150,000.00.

(5) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), THE DEPARTMENT SHALL AWARD $28,000.00 TO A DISTRICT THAT LEVIED 1.9 MILLS IN 1993 TO FINANCE AN OPERATING DEFICIT.

(6) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), THE DEPARTMENT SHALL AWARD $105,000.00 TO APPLICANT DISTRICTS IN GRANTS OF $7,000.00 EACH PER SCHOOL BUILDING. A DISTRICT IS ELIGIBLE TO RECEIVE A GRANT FOR A SCHOOL BUILDING UNDER THIS SUBSECTION IF AN EMERGENCY SITUATION HAS OCCURRED IN OR NEAR THE SCHOOL BUILDING WITHIN THE LAST 5 YEARS OR IF THE DEPARTMENT, IN CONJUNCTION WITH THE DEPARTMENT OF STATE POLICE, HAS DETERMINED THAT AN EMERGENCY SITUATION IS LIKELY TO OCCUR IN OR NEAR THE SCHOOL BUILDING. GRANTS UNDER THIS SUBSECTION SHALL BE AWARDED IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT. HOWEVER, A DISTRICT MAY NOT RECEIVE MORE THAN 3 GRANTS UNDER THIS SUBSECTION.

(7) AN INTERMEDIATE DISTRICT THAT RECEIVES A GRANT UNDER SUBSECTION (3) SHALL CONTRACT FOR SCHOOL BUILDING SECURITY MAPPING IN 4 SCHOOL BUILDINGS, 2 OF WHICH ARE LOCATED IN RURAL AREAS AND 2 OF WHICH ARE LOCATED IN URBAN AREAS, AS DEFINED BY THE DEPARTMENT.

(8) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION MAY BE MADE PURSUANT TO AN AGREEMENT WITH THE DEPARTMENT.

SEC. 99G. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS ALLOCATED THE AMOUNT OF $300,000.00 FOR 2006-2007 TO A DISTRICT THAT MEETS ALL OF THE FOLLOWING REQUIREMENTS:

(A) THE DISTRICT'S MEMBERSHIP IS GREATER THAN 9,000 PUPILS.

(B) AT LEAST 60% OF THE PUPILS IN THE DISTRICT WERE ELIGIBLE FOR FREE OR REDUCED LUNCH FOR 2005-2006.

(C) THE DISTRICT'S FOUNDATION ALLOWANCE FOR 2006-2007 IS LESS THAN $7,310.00.

(2) FUNDS ALLOCATED TO A DISTRICT UNDER THIS SECTION SHALL BE USED TO EXPAND THE SCHOOL-BASED CRISIS INTERVENTION PROJECT THAT RECEIVED FUNDS IN 2005-2006 UNDER SECTION 304 OF 2005 PA 147.

(3) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION MAY BE MADE PURSUANT TO AN AGREEMENT WITH THE DEPARTMENT.

SEC. 99H. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED $150,000.00 FOR 2006-2007 FOR COMPETITIVE GRANTS TO DISTRICTS THAT PROVIDE PUPILS IN HIGH SCHOOL WITH EXPANDED OPPORTUNITIES TO IMPROVE MATHEMATICS, SCIENCE, AND TECHNOLOGY SKILLS BY PARTICIPATING IN EVENTS HOSTED BY A SCIENCE AND TECHNOLOGY DEVELOPMENT PROGRAM KNOWN AS FIRST (FOR INSPIRATION AND RECOGNITION OF SCIENCE AND TECHNOLOGY) ROBOTICS COMPETITION.

(2) A DISTRICT APPLYING FOR A GRANT SHALL SUBMIT AN APPLICATION IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT. TO BE ELIGIBLE FOR A GRANT, A DISTRICT SHALL

DEMONSTRATE IN ITS APPLICATION THAT THE DISTRICT HAS ESTABLISHED A PARTNERSHIP FOR THE PURPOSES OF THE PROGRAM WITH AT LEAST 1 SPONSOR, BUSINESS ENTITY, HIGHER EDUCATION INSTITUTION, OR TECHNICAL SCHOOL.

(3) EACH GRANT RECIPIENT SHALL PROVIDE A LOCAL MATCH FROM OTHER PRIVATE OR LOCAL FUNDS FOR THE FUNDS RECEIVED UNDER THIS SECTION. THE AMOUNT OF THE LOCAL MATCH SHALL BE AT LEAST EQUAL TO 50% OF THE COSTS OF PARTICIPATING IN AN EVENT.

(4) GRANT AWARDS SHALL BE MADE IN A MANNER DETERMINED BY THE DEPARTMENT IN COLLABORATION WITH THE DEPARTMENT OF LABOR AND ECONOMIC GROWTH. HOWEVER, THE DEPARTMENT SHALL SET MAXIMUM GRANT AMOUNTS IN A MANNER THAT MAXIMIZES THE NUMBER OF HIGH SCHOOLS THAT WILL BE ABLE TO PARTICIPATE.

(5) FUNDS RECEIVED UNDER THIS SECTION MAY BE USED FOR EVENT REGISTRATIONS, MATERIALS, TRAVEL COSTS, AND OTHER EXPENSES ASSOCIATED WITH THE PREPARATION FOR AND ATTENDANCE AT FIRST ROBOTICS COMPETITIONS.

Sec. 101. (1) To be eligible to receive state aid under this act, not later than the fifth Wednesday after the pupil membership count day and not later than the fifth Wednesday after the supplemental count day, each district superintendent through the secretary of the district's board shall file with the intermediate superintendent a certified and sworn copy of the number of pupils enrolled and in regular daily attendance in the district as of the pupil membership count day and as of the supplemental count day, as applicable, for the current school year. In addition, a district maintaining school during the entire year, as provided under section 1561 of the revised school code, MCL 380.1561, shall file with the intermediate superintendent a certified and sworn copy of the number of pupils enrolled and in regular daily attendance in the district for the current school year pursuant to rules promulgated by the superintendent. Not later than the seventh Wednesday after the pupil membership count day and not later than the seventh Wednesday after the supplemental count day, the intermediate district shall transmit to the center revised data, as applicable, for each of its constituent districts. If a district fails to file the sworn and certified copy with the intermediate superintendent in a timely manner, as required under this subsection, the intermediate district shall notify the department and state aid due to be distributed under this act shall be withheld from the defaulting district immediately, beginning with the next payment after the failure and continuing with each payment until the district complies with this subsection. If an intermediate district fails to transmit the data in its possession in a timely and accurate manner to the center, as required under this subsection, state aid due to be distributed under this act shall be withheld from the defaulting intermediate district immediately, beginning with the next payment after the failure and continuing with each payment until the intermediate district complies with this subsection. If a district or intermediate district does not comply with this subsection by the end of the fiscal year, the district or intermediate district forfeits the amount withheld. A person who willfully falsifies a figure or statement in the certified and sworn copy of enrollment shall be punished in the manner prescribed by section 161.

(2) To be eligible to receive state aid under this act, not later than the twenty-fourth Wednesday after the pupil membership count day and not later than the twenty-fourth Wednesday after the supplemental count day, an intermediate district shall submit to the center, in a form and manner prescribed by the center, the audited enrollment and attendance data for the pupils of its constituent districts and of the intermediate district. If an intermediate district fails to transmit the audited data as required under this subsection, state aid due to be distributed under this act shall be withheld from the defaulting intermediate district immediately, beginning with the next payment after the failure and continuing with each payment until the intermediate district complies with this subsection. If an intermediate district does not comply with this subsection by the end of the fiscal year, the intermediate district forfeits the amount withheld.

(3) All of the following apply to the provision of pupil instruction:

(a) Except as otherwise provided in this section, each district shall provide at least 1,098 hours of pupil instruction. Except as otherwise provided in this act, a district failing to comply with the required minimum hours of pupil instruction under this subsection shall forfeit from its total state aid allocation an amount determined by applying a ratio of the number of hours the district was in noncompliance in relation to the required minimum number of hours under this subsection. Not later than August 1, the board of each district shall certify to the department the number of hours of pupil instruction in the previous school year. If the district did not provide at least the required minimum number of hours of pupil instruction under this subsection, the deduction of state aid shall be made in the following fiscal year from the first payment of state school aid. A district is not subject to forfeiture of funds under this subsection for a fiscal year in which a forfeiture was already imposed under subsection (6). Hours lost because of strikes or teachers' conferences shall not be counted as days or hours of pupil instruction.

(b) Except as otherwise provided in subdivision (c), a district not having at least 75% of the district's membership in attendance on any day of pupil instruction shall receive state aid in that proportion of 1/180 that the actual percent of attendance bears to the specified percentage.

(c) Beginning in 2005-2006, at the request of a district that operates a department-approved alternative education program and that does not provide instruction for pupils in all of grades K to 12, the superintendent shall grant a waiver

for a period of 3 school years from the requirements of subdivision (b) in order to conduct a pilot study. The waiver shall indicate that an eligible district is subject to the proration provisions of subdivision (b) only if the district does not have at least 50% of the district's membership in attendance on any day of pupil instruction. Not later than 2008-2009, the department shall report on the impact of this waiver on the academic achievement of pupils in these districts to the state budget director and the senate and house appropriations subcommittees on state school aid. In order to be eligible for this waiver, a district must maintain records to substantiate its compliance with the following requirements during the pilot study:

(*i*) The district offers the minimum hours of pupil instruction as required under this section.

(*ii*) For each enrolled pupil, the district uses appropriate academic assessments to develop an individual education plan that leads to a high school diploma.

(*iii*) The district tests each pupil to determine academic progress at regular intervals and records the results of those tests in that pupil's individual education plan.

(d) The superintendent shall promulgate rules for the implementation of this subsection.

(4) Except as otherwise provided in this subsection, the first 30 hours for which pupil instruction is not provided because of conditions not within the control of school authorities, such as severe storms, fires, epidemics, utility power unavailability, water or sewer failure, or health conditions as defined by the city, county, or state health authorities, shall be counted as hours of pupil instruction. Beginning in 2003-2004, with the approval of the superintendent of public instruction, the department shall count as hours of pupil instruction for a fiscal year not more than 30 additional hours for which pupil instruction is not provided in a district after April 1 of the applicable school year due to unusual and extenuating occurrences resulting from conditions not within the control of school authorities such as those conditions described in this subsection. Subsequent such hours shall not be counted as hours of pupil instruction.

(5) A district shall not forfeit part of its state aid appropriation because it adopts or has in existence an alternative scheduling program for pupils in kindergarten if the program provides at least the number of hours required under subsection (3) for a full-time equated membership for a pupil in kindergarten as provided under section 6(4).

(6) Not later than April 15 of each fiscal year, the board of each district shall certify to the department the planned number of hours of pupil instruction in the district for the school year ending in the fiscal year. In addition to any other penalty or forfeiture under this section, if at any time the department determines that 1 or more of the following has occurred in a district, the district shall forfeit in the current fiscal year beginning in the next payment to be calculated by the department a proportion of the funds due to the district under this act that is equal to the proportion below the required minimum number of hours of pupil instruction under subsection (3), as specified in the following:

(a) The district fails to operate its schools for at least the required minimum number of hours of pupil instruction under subsection (3) in a school year, including hours counted under subsection (4).

(b) The board of the district takes formal action not to operate its schools for at least the required minimum number of hours of pupil instruction under subsection (3) in a school year, including hours counted under subsection (4).

(7) In providing the minimum number of hours of pupil instruction required under subsection (3), a district shall use the following guidelines, and a district shall maintain records to substantiate its compliance with the following guidelines:

(a) Except as otherwise provided in this subsection, a pupil must be scheduled for at least the required minimum number of hours of instruction, excluding study halls, or at least the sum of 90 hours plus the required minimum number of hours of instruction, including up to 2 study halls.

(b) The time a pupil is assigned to any tutorial activity in a block schedule may be considered instructional time, unless that time is determined in an audit to be a study hall period.

(c) Except as otherwise provided in this subdivision, a pupil in grades 9 to 12 for whom a reduced schedule is determined to be in the individual pupil's best educational interest must be scheduled for a number of hours equal to at least 80% of the required minimum number of hours of pupil instruction to be considered a full-time equivalent pupil. A pupil in grades 9 to 12 who is scheduled in a 4-block schedule may receive a reduced schedule under this subsection if the pupil is scheduled for a number of hours equal to at least 75% of the required minimum number of hours of pupil instruction to be considered a full-time equivalent pupil.

(d) If a pupil in grades 9 to 12 who is enrolled in a cooperative education program or a special education pupil cannot receive the required minimum number of hours of pupil instruction solely because of travel time between instructional sites during the school day, that travel time, up to a maximum of 3 hours per school week, shall be considered to be pupil instruction time for the purpose of determining whether the pupil is receiving the required minimum number of hours of pupil instruction. However, if a district demonstrates to the satisfaction of the department that the travel time limitation under this subdivision would create undue costs or hardship to the district, the department may consider more travel time to be pupil instruction time for this purpose.

(e) In grades 7 through 12, instructional time that is part of a junior reserve officer training corps (JROTC) program shall be considered to be pupil instruction time regardless of whether the instructor is a certificated teacher if all of the following are met:

(*i*) The instructor has met all of the requirements established by the United States department of defense and the applicable branch of the armed services for serving as an instructor in the junior reserve officer training corps program.

(*ii*) The board of the district or intermediate district employing or assigning the instructor complies with the requirements of sections 1230 and 1230a of the revised school code, MCL 380.1230 and 380.1230a, with respect to the instructor to the same extent as if employing the instructor as a regular classroom teacher.

(8) The department shall apply the guidelines under subsection (7) in calculating the full-time equivalency of pupils.

(9) Upon application by the district for a particular fiscal year, the superintendent may waive for a district the minimum number of hours of pupil instruction requirement of subsection (3) for a department-approved alternative education program. If a district applies for and receives a waiver under this subsection and complies with the terms of the waiver, for the fiscal year covered by the waiver the district is not subject to forfeiture under this section for the specific program covered by the waiver. **IF THE DISTRICT DOES NOT COMPLY WITH THE TERMS OF THE WAIVER, THE AMOUNT OF THE FORFEITURE SHALL BE CALCULATED BASED UPON A COMPARISON OF THE NUMBER OF HOURS OF PUPIL INSTRUCTION ACTUALLY PROVIDED TO THE MINIMUM NUMBER OF HOURS OF PUPIL INSTRUCTION REQUIRED UNDER SUBSECTION (3).**

(10) A district may count up to ~~51~~ **38** hours of qualifying professional development for teachers, including the 5 hours of online professional development provided by the Michigan virtual university under section 98, as hours of pupil instruction. **HOWEVER, IF A COLLECTIVE BARGAINING AGREEMENT THAT PROVIDES MORE THAN 38 BUT NOT MORE THAN 51 HOURS OF PROFESSIONAL DEVELOPMENT FOR TEACHERS IS IN EFFECT FOR EMPLOYEES OF A DISTRICT AS OF THE EFFECTIVE DATE OF THE 2006 AMENDATORY ACT THAT AMENDED THIS SUBSECTION, THEN UNTIL THE FISCAL YEAR THAT BEGINS AFTER THE EXPIRATION OF THAT COLLECTIVE BARGAINING AGREEMENT A DISTRICT MAY COUNT UP TO 51 HOURS OF QUALIFYING PROFESSIONAL DEVELOPMENT FOR TEACHERS, INCLUDING THE 5 HOURS OF ONLINE PROFESSIONAL DEVELOPMENT PROVIDED BY THE MICHIGAN VIRTUAL UNIVERSITY UNDER SECTION 98, AS HOURS OF PUPIL INSTRUCTION.** A district that elects to use this exception shall notify the department of its election. As used in this subsection, "qualifying professional development" means professional development that is focused on 1 or more of the following:

(a) Achieving or improving adequate yearly progress as defined under the no child left behind act of 2001, Public Law 107-110.

(b) Achieving accreditation or improving a school's accreditation status under section 1280 of the revised school code, MCL 380.1280.

(c) Achieving highly qualified teacher status as defined under the no child left behind act of 2001, Public Law 107-110.

(d) Maintaining teacher certification.

SEC. 104. (1) FROM THE STATE SCHOOL AID FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED FOR 2006-2007 AN AMOUNT NOT TO EXCEED $19,500,000.00 FOR REIMBURSEMENT TO DISTRICTS OF 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 2006-2007 AN AMOUNT ESTIMATED AT $8,425,200.00, FUNDED FROM DED-OESE, TITLE VI, STATE ASSESSMENTS FUNDS 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. 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.

Sec. 105. (1) In order to avoid a penalty under this section, and in order to count a nonresident pupil residing within the same intermediate district in membership without the approval of the pupil's district of residence, a district shall comply with this section.

(2) Except as otherwise provided in this section, a district shall determine whether or not it will accept applications for enrollment by nonresident applicants residing within the same intermediate district for the next school year. If the district determines to accept applications for enrollment of a number of nonresidents, beyond those entitled to preference under this section, the district shall use the following procedures for accepting applications from and enrolling nonresidents:

(a) The district shall publish the grades, schools, and special programs, if any, for which enrollment may be available to, and for which applications will be accepted from, nonresident applicants residing within the same intermediate district.

(b) If the district has a limited number of positions available for nonresidents residing within the same intermediate district in a grade, school, or program, all of the following apply to accepting applications for and enrollment of nonresidents in that grade, school, or program:

(*i*) The district shall do all of the following not later than the second Friday in August:

(A) Provide notice to the general public that applications will be taken for a 15-day period from nonresidents residing within the same intermediate district for enrollment in that grade, school, or program. The notice shall identify the 15-day period and the place and manner for submitting applications.

(B) During the application period under sub-subparagraph (A), accept applications from nonresidents residing within the same intermediate district for enrollment in that grade, school, or program.

(C) Within 15 days after the end of the application period under sub-subparagraph (A), using the procedures and preferences required under this section, determine which nonresident applicants will be allowed to enroll in that grade, school, or program, using the random draw system required under subsection ~~(13)~~ **(14)** as necessary, and notify the parent or legal guardian of each nonresident applicant of whether or not the applicant may enroll in the district. The notification to parents or legal guardians of nonresident applicants accepted for enrollment shall contain notification of the date by which the applicant must enroll in the district and procedures for enrollment.

(*ii*) Beginning on the third Monday in August and not later than the end of the first week of school, if any positions become available in a grade, school, or program due to accepted applicants failing to enroll or to more positions being added, the district may enroll nonresident applicants from the waiting list maintained under subsection ~~(13)~~ **(14)**, offering enrollment in the order that applicants appear on the waiting list. If there are still positions available after enrolling all applicants from the waiting list who desire to enroll, the district may not fill those positions until the second semester enrollment under subsection (3), as provided under that subsection, or until the next school year.

(c) For a grade, school, or program that has an unlimited number of positions available for nonresidents residing within the same intermediate district, all of the following apply to enrollment of nonresidents in that grade, school, or program:

(*i*) The district may accept applications for enrollment in that grade, school, or program, and may enroll nonresidents residing within the same intermediate district in that grade, school, or program, until the end of the first week of school. The district shall provide notice to the general public of the place and manner for submitting applications and, if the district has a limited application period, the notice shall include the dates of the application period. The application period shall be at least a 15-day period.

(*ii*) Not later than the end of the first week of school, the district shall notify the parent or legal guardian of each nonresident applicant who is accepted for enrollment that the applicant has been accepted for enrollment in the grade, school, or program and of the date by which the applicant must enroll in the district and the procedures for enrollment.

(3) If a district determines during the first semester of a school year that it has positions available for enrollment of a number of nonresidents residing within the same intermediate district, beyond those entitled to preference under this section, for the second semester of the school year, the district may accept applications from and enroll nonresidents residing within the same intermediate district for the second semester using the following procedures:

(a) Not later than 2 weeks before the end of the first semester, the district shall publish the grades, schools, and special programs, if any, for which enrollment for the second semester may be available to, and for which applications will be accepted from, nonresident applicants residing within the same intermediate district.

(b) During the last 2 weeks of the first semester, the district shall accept applications from nonresidents residing within the same intermediate district for enrollment for the second semester in the available grades, schools, and programs.

(c) By the beginning of the second semester, using the procedures and preferences required under this section, the district shall determine which nonresident applicants will be allowed to enroll in the district for the second semester and notify the parent or legal guardian of each nonresident applicant residing within the same intermediate district of whether or not the applicant may enroll in the district. The notification to parents or legal guardians of nonresident applicants accepted for enrollment shall contain notification of the date by which the applicant must enroll in the district and procedures for enrollment.

(4) If deadlines similar to those described in subsection (2) or (3) have been established in an intermediate district, and if those deadlines are not later than the deadlines under subsection (2) or (3), the districts within the intermediate district may use those deadlines.

(5) A district offering to enroll nonresident applicants residing within the same intermediate district may limit the number of nonresident pupils it accepts in a grade, school, or program, at its discretion, and may use that limit as the reason for refusal to enroll an applicant.

(6) A nonresident applicant residing within the same intermediate district shall not be granted or refused enrollment based on intellectual, academic, artistic, or other ability, talent, or accomplishment, or lack thereof, or based on a mental or physical disability, except that a district may refuse to admit a nonresident applicant if the applicant does not meet the same criteria, other than residence, that an applicant who is a resident of the district must meet to be accepted for enrollment in a grade or a specialized, magnet, or intra-district choice school or program to which the applicant applies.

(7) A nonresident applicant residing within the same intermediate district shall not be granted or refused enrollment based on age, except that a district may refuse to admit a nonresident applicant applying for a program that is not appropriate for the age of the applicant.

(8) A nonresident applicant residing within the same intermediate district shall not be granted or refused enrollment based upon religion, race, color, national origin, sex, height, weight, marital status, or athletic ability, or, generally, in violation of any state or federal law prohibiting discrimination.

(9) ~~A~~ **SUBJECT TO SUBSECTION (10), A** district may refuse to enroll a nonresident applicant if any of the following are met:

(a) The applicant is, or has been within the preceding 2 years, suspended from another school.

(b) The applicant**,** ~~has~~ at any time **BEFORE ENROLLING UNDER THIS SECTION, HAS** been expelled from another school.

(c) The applicant**,** ~~has~~ at any time **BEFORE ENROLLING UNDER THIS SECTION, HAS** been convicted of a felony.

(10) IF A DISTRICT HAS COUNTED A PUPIL IN MEMBERSHIP ON EITHER THE PUPIL MEMBERSHIP COUNT DAY OR THE SUPPLEMENTAL COUNT DAY, THE DISTRICT SHALL NOT REFUSE TO ENROLL OR REFUSE TO CONTINUE TO ENROLL THAT PUPIL FOR A REASON SPECIFIED IN SUBSECTION (9). THIS SUBSECTION DOES NOT PROHIBIT A DISTRICT FROM EXPELLING A PUPIL DESCRIBED IN THIS SUBSECTION FOR DISCIPLINARY REASONS.

(11) ~~(10)~~ A district shall continue to allow a pupil who was enrolled in and attended the district under this section in the school year or semester immediately preceding the school year or semester in question to enroll in the district until the pupil graduates from high school. This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(12) ~~(11)~~ A district shall give preference for enrollment under this section over all other nonresident applicants residing within the same intermediate district to other school-age children who reside in the same household as a pupil described in subsection ~~(10)~~ **(11)**.

(13) ~~(12)~~ If a nonresident pupil was enrolled in and attending school in a district as a nonresident pupil in the 1995-96 school year and continues to be enrolled continuously each school year in that district, the district shall allow that nonresident pupil to continue to enroll in and attend school in the district until high school graduation, without requiring the nonresident pupil to apply for enrollment under this section. This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(14) ~~(13)~~ If the number of qualified nonresident applicants eligible for acceptance in a school, grade, or program does not exceed the positions available for nonresident pupils in the school, grade, or program, the school district shall accept for enrollment all of the qualified nonresident applicants eligible for acceptance. If the number of qualified nonresident applicants residing within the same intermediate district eligible for acceptance exceeds the positions available in a grade, school, or program in a district for nonresident pupils, the district shall use a random draw system, subject to the need to abide by state and federal antidiscrimination laws and court orders and subject to preferences allowed by this section. The district shall develop and maintain a waiting list based on the order in which nonresident applicants were drawn under this random draw system.

(15) ~~(14)~~ If a district, or the nonresident applicant, requests the district in which a nonresident applicant resides to supply information needed by the district for evaluating the applicant's application for enrollment or for enrolling the applicant, the district of residence shall provide that information on a timely basis.

(16) ~~(15)~~ If a district is subject to a court-ordered desegregation plan, and if the court issues an order prohibiting pupils residing in that district from enrolling in another district or prohibiting pupils residing in another district from enrolling in that district, this section is subject to the court order.

(17) ~~(16)~~ This section does not require a district to provide transportation for a nonresident pupil enrolled in the district under this section or for a resident pupil enrolled in another district under this section. However, at the time a nonresident pupil enrolls in the district, a district shall provide to the pupil's parent or legal guardian information on available transportation to and from the school in which the pupil enrolls.

(18) ~~(17)~~ A district may participate in a cooperative education program with 1 or more other districts or intermediate districts whether or not the district enrolls any nonresidents pursuant to this section.

(19) ~~(18)~~ A district that, pursuant to this section, enrolls a nonresident pupil who is eligible for special education programs and services according to statute or rule, or who is a child with disabilities, as defined under the individuals with disabilities education act, ~~title VI of Public Law 91-230, 20 USC 1400 to 1420, 1431 to 1461, and 1471 to 1487~~ **PUBLIC LAW 108-446**, shall be considered to be the resident district of the pupil for the purpose of providing the pupil with a free appropriate public education. Consistent with state and federal law, that district is responsible for developing and implementing an individualized education plan annually for a nonresident pupil described in this subsection.

(20) ~~(19)~~ If a district does not comply with this section, the district forfeits 5% of the total state school aid allocation to the district under this act.

(21) ~~(20)~~ Upon application by a district, the superintendent may grant a waiver for the district from a specific requirement under this section for not more than 1 year.

Sec. 105c. (1) In order to avoid a penalty under this section, and in order to count a nonresident pupil residing in a district located in a contiguous intermediate district in membership without the approval of the pupil's district of residence, a district shall comply with this section.

(2) Except as otherwise provided in this section, a district shall determine whether or not it will accept applications for enrollment by nonresident applicants residing in a district located in a contiguous intermediate district for the next school year. If the district determines to accept applications for enrollment of a number of nonresidents under this section, beyond those entitled to preference under this section, the district shall use the following procedures for accepting applications from and enrolling nonresidents under this section:

(a) The district shall publish the grades, schools, and special programs, if any, for which enrollment may be available to, and for which applications will be accepted from, nonresident applicants residing in a district located in a contiguous intermediate district.

(b) If the district has a limited number of positions available for nonresidents residing in a district located in a contiguous intermediate district in a grade, school, or program, all of the following apply to accepting applications for and enrollment of nonresidents under this section in that grade, school, or program:

(*i*) The district shall do all of the following not later than the second Friday in August:

(A) Provide notice to the general public that applications will be taken for a 15-day period from nonresidents residing in a district located in a contiguous intermediate district for enrollment in that grade, school, or program. The notice shall identify the 15-day period and the place and manner for submitting applications.

(B) During the application period under sub-subparagraph (A), accept applications from nonresidents residing in a district located in a contiguous intermediate district for enrollment in that grade, school, or program.

(C) Within 15 days after the end of the application period under sub-subparagraph (A), using the procedures and preferences required under this section, determine which nonresident applicants will be allowed to enroll under this section in that grade, school, or program, using the random draw system required under subsection ~~(13)~~ **(14)** as necessary, and notify the parent or legal guardian of each nonresident applicant of whether or not the applicant may enroll in the district. The notification to parents or legal guardians of nonresident applicants accepted for enrollment under this section shall contain notification of the date by which the applicant must enroll in the district and procedures for enrollment.

(*ii*) Beginning on the third Monday in August and not later than the end of the first week of school, if any positions become available in a grade, school, or program due to accepted applicants failing to enroll or to more positions being added, the district may enroll nonresident applicants from the waiting list maintained under subsection ~~(13)~~ **(14)**, offering enrollment in the order that applicants appear on the waiting list. If there are still positions available after enrolling all applicants from the waiting list who desire to enroll, the district may not fill those positions until the second semester enrollment under subsection (3), as provided under that subsection, or until the next school year.

(c) For a grade, school, or program that has an unlimited number of positions available for nonresidents residing in a district located in a contiguous intermediate district, all of the following apply to enrollment of nonresidents in that grade, school, or program under this section:

(*i*) The district may accept applications for enrollment in that grade, school, or program, and may enroll nonresidents residing in a district located in a contiguous intermediate district in that grade, school, or program, until the end of the first week of school. The district shall provide notice to the general public of the place and manner for submitting applications and, if the district has a limited application period, the notice shall include the dates of the application period. The application period shall be at least a 15-day period.

(*ii*) Not later than the end of the first week of school, the district shall notify the parent or legal guardian of each nonresident applicant who is accepted for enrollment under this section that the applicant has been accepted for enrollment in the grade, school, or program and of the date by which the applicant must enroll in the district and the procedures for enrollment.

(3) If a district determines during the first semester of a school year that it has positions available for enrollment of a number of nonresidents residing in a district located in a contiguous intermediate district, beyond those entitled to preference under this section, for the second semester of the school year, the district may accept applications from and enroll nonresidents residing in a district located in a contiguous intermediate district for the second semester using the following procedures:

(a) Not later than 2 weeks before the end of the first semester, the district shall publish the grades, schools, and special programs, if any, for which enrollment for the second semester may be available to, and for which applications will be accepted from, nonresident applicants residing in a district located in a contiguous intermediate district.

(b) During the last 2 weeks of the first semester, the district shall accept applications from nonresidents residing in a district located in a contiguous intermediate district for enrollment for the second semester in the available grades, schools, and programs.

(c) By the beginning of the second semester, using the procedures and preferences required under this section, the district shall determine which nonresident applicants will be allowed to enroll under this section in the district for the second semester and notify the parent or legal guardian of each nonresident applicant residing in a district located in a contiguous intermediate district of whether or not the applicant may enroll in the district. The notification to parents or legal guardians of nonresident applicants accepted for enrollment shall contain notification of the date by which the applicant must enroll in the district and procedures for enrollment.

(4) If deadlines similar to those described in subsection (2) or (3) have been established in an intermediate district, and if those deadlines are not later than the deadlines under subsection (2) or (3), the districts within the intermediate district may use those deadlines.

(5) A district offering to enroll nonresident applicants residing in a district located in a contiguous intermediate district may limit the number of those nonresident pupils it accepts in a grade, school, or program, at its discretion, and may use that limit as the reason for refusal to enroll an applicant under this section.

(6) A nonresident applicant residing in a district located in a contiguous intermediate district shall not be granted or refused enrollment based on intellectual, academic, artistic, or other ability, talent, or accomplishment, or lack thereof, or based on a mental or physical disability, except that a district may refuse to admit a nonresident applicant under this section if the applicant does not meet the same criteria, other than residence, that an applicant who is a resident of the district must meet to be accepted for enrollment in a grade or a specialized, magnet, or intra-district choice school or program to which the applicant applies.

(7) A nonresident applicant residing in a district located in a contiguous intermediate district shall not be granted or refused enrollment under this section based on age, except that a district may refuse to admit a nonresident applicant applying for a program that is not appropriate for the age of the applicant.

(8) A nonresident applicant residing in a district located in a contiguous intermediate district shall not be granted or refused enrollment under this section based upon religion, race, color, national origin, sex, height, weight, marital status, or athletic ability, or, generally, in violation of any state or federal law prohibiting discrimination.

(9) ~~A~~ **SUBJECT TO SUBSECTION (10), A** district may refuse to enroll a nonresident applicant under this section if any of the following are met:

(a) The applicant is, or has been within the preceding 2 years, suspended from another school.

(b) The applicant**,** ~~has~~ at any time **BEFORE ENROLLING UNDER THIS SECTION, HAS** been expelled from another school.

(c) The applicant**,** ~~has~~ at any time **BEFORE ENROLLING UNDER THIS SECTION, HAS** been convicted of a felony.

(10) IF A DISTRICT HAS COUNTED A PUPIL IN MEMBERSHIP ON EITHER THE PUPIL MEMBERSHIP COUNT DAY OR THE SUPPLEMENTAL COUNT DAY, THE DISTRICT SHALL NOT REFUSE TO ENROLL OR REFUSE TO CONTINUE TO ENROLL THAT PUPIL FOR A REASON SPECIFIED IN SUBSECTION (9). THIS SUBSECTION DOES NOT PROHIBIT A DISTRICT FROM EXPELLING A PUPIL DESCRIBED IN THIS SUBSECTION FOR DISCIPLINARY REASONS.

(11) ~~(10)~~ A district shall continue to allow a pupil who was enrolled in and attended the district under this section in the school year or semester immediately preceding the school year or semester in question to enroll in the district until the pupil graduates from high school. This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(12) ~~(11)~~ A district shall give preference for enrollment under this section over all other nonresident applicants residing in a district located in a contiguous intermediate district to other school-age children who reside in the same household as a pupil described in subsection ~~(10)~~ **(11)**.

(13) ~~(12)~~ If a nonresident pupil was enrolled in and attending school in a district as a nonresident pupil in the 1995-96 school year and continues to be enrolled continuously each school year in that district, the district shall allow that nonresident pupil to continue to enroll in and attend school in the district until high school graduation, without requiring the nonresident pupil to apply for enrollment under this section. This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(14) ~~(13)~~ If the number of qualified nonresident applicants eligible for acceptance under this section in a school, grade, or program does not exceed the positions available for nonresident pupils under this section in the school, grade, or program, the school district shall accept for enrollment all of the qualified nonresident applicants eligible for acceptance. If the number of qualified nonresident applicants residing in a district located in a contiguous intermediate district eligible for acceptance under this section exceeds the positions available in a grade, school, or program in a district for nonresident pupils, the district shall use a random draw system, subject to the need to abide by state and federal antidiscrimination laws and court orders and subject to preferences allowed by this section. The district shall develop and maintain a waiting list based on the order in which nonresident applicants were drawn under this random draw system.

(15) ~~(14)~~ If a district, or the nonresident applicant, requests the district in which a nonresident applicant resides to supply information needed by the district for evaluating the applicant's application for enrollment or for enrolling the applicant under this section, the district of residence shall provide that information on a timely basis.

(16) ~~(15)~~ If a district is subject to a court-ordered desegregation plan, and if the court issues an order prohibiting pupils residing in that district from enrolling in another district or prohibiting pupils residing in another district from enrolling in that district, this section is subject to the court order.

(17) ~~(16)~~ This section does not require a district to provide transportation for a nonresident pupil enrolled in the district under this section or for a resident pupil enrolled in another district under this section. However, at the time a nonresident pupil enrolls in the district, a district shall provide to the pupil's parent or legal guardian information on available transportation to and from the school in which the pupil enrolls.

(18) ~~(17)~~ A district may participate in a cooperative education program with 1 or more other districts or intermediate districts whether or not the district enrolls any nonresidents pursuant to this section.

(19) ~~(18)~~ In order for a district or intermediate district to enroll pursuant to this section a nonresident pupil who resides in a district located in a contiguous intermediate district and who is eligible for special education programs and services according to statute or rule, or who is a child with disabilities, as defined under the individuals with disabilities education act, ~~title VI of Public Law 91-230~~ **PUBLIC LAW 108-446**, the enrolling district shall have a written agreement with the resident district of the pupil for the purpose of providing the pupil with a free appropriate public education. The written agreement shall include, but is not limited to, an agreement on the responsibility for the payment of the added costs of special education programs and services for the pupil.

(20) ~~(19)~~ If a district does not comply with this section, the district forfeits 5% of the total state school aid allocation to the district under this act.

(21) ~~(20)~~ Upon application by a district, the superintendent may grant a waiver for the district from a specific requirement under this section for not more than 1 year.

(22) ~~(21)~~ This section is repealed if the final decision of a court of competent jurisdiction holds that any portion of this section is unconstitutional, ineffective, invalid, or in violation of federal law.

(23) ~~(22)~~ As used in this section, "district located in a contiguous intermediate district" means a district located in an intermediate district that is contiguous to the intermediate district in which a pupil's district of residence is located.

Sec. 107. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~$21,000,000.00 for 2005-2006~~ **$24,000,000.00 FOR 2006-2007** for adult education programs authorized under this section.

(2) To be eligible to be a participant funded under this section, a person shall be enrolled in an adult basic education program, an adult English as a second language program, a general educational development (G.E.D.) test preparation program, a job or employment related program, or a high school completion program, that meets the requirements of this section, and shall meet either of the following, as applicable:

(a) If the individual has obtained a high school diploma or a general educational development (G.E.D.) certificate, the individual meets 1 of the following:

(*i*) Is less than 20 years of age on September 1 of the school year and is enrolled in the state technical institute and rehabilitation center.

(*ii*) Is less than 20 years of age on September 1 of the school year, is not attending an institution of higher education, and is enrolled in a job or employment-related program through a referral by an employer.

(*iii*) Is enrolled in an English as a second language program.

(*iv*) Is enrolled in a high school completion program.

(b) If the individual has not obtained a high school diploma or G.E.D. certificate, the individual meets 1 of the following:

(*i*) Is at least 20 years of age on September 1 of the school year.

(*ii*) Is at least 16 years of age on September 1 of the school year, has been permanently expelled from school under section 1311(2) or 1311a of the revised school code, MCL 380.1311 and 380.1311a, and has no appropriate alternative education program available through his or her district of residence.

(3) Except as otherwise provided in subsection (4), **FROM** the amount allocated under subsection (1)**, $22,500,000.00** shall be distributed as follows:

(a) For districts and consortia that received payments for ~~2003-2004~~ **2005-2006** under this section, the amount allocated to each for ~~2005-2006~~ **2006-2007** shall be based on the number of participants served by the district or consortium for ~~2005-2006~~ **2006-2007**, using the amount allocated per full-time equated participant under subsection ~~(5)~~ **(6)**, up to a maximum total allocation under this ~~section~~ **SUBSECTION** in an amount equal to **107.1% OF** the amount the district or consortium received for ~~2003-2004~~ **2005-2006** under this section before any reallocations made for ~~2003-2004~~ **2005-2006** under subsection (4).

(b) A district or consortium that received funding in 2003-2004 under this section may operate independently of a consortium or join or form a consortium for ~~2005-2006~~ **2006-2007**. ~~In addition, a district that had a declaration of financial emergency in place under the local government fiscal responsibility act, 1990 PA 72, MCL 141.1201 to 141.1291, and for which that declaration was revoked during 2005 may operate a program under this section independently of a consortium or may join or form a consortium to operate a program under this section.~~ The allocation for ~~2005-2006~~ **2006-2007** to the district or the newly formed consortium under this subsection shall be determined by the department of labor and economic growth and shall be based on the proportion of the amounts that are attributable to

the district or consortium that received funding in ~~2003-2004 or, for a district for which a declaration of financial emergency was revoked during 2005, based on the amount the district received under this section using a 3-year average of the 3 most recent fiscal years the district received funding under this section~~ **2005-2006**. A district or consortium described in this subdivision shall notify the department of labor and economic growth of its intention with regard to ~~2005-2006~~ **2006-2007** by October 1, ~~2005~~ **2006**.

(4) A district that operated an adult education program in ~~2004-2005~~ **2005-2006** and does not intend to operate a program in ~~2005-2006~~ **2006-2007** shall notify the department of labor and economic growth by October 1, ~~2005~~ **2006** of its intention. The funds intended to be allocated under this section to a district that does not operate a program in ~~2005-2006~~ **2006-2007** and the unspent funds originally allocated under this section to a district or consortium that subsequently operates a program at less than the level of funding allocated under subsection (3) shall instead be proportionately reallocated to the other districts described in subsection (3)(a) that are operating an adult education program in ~~2005-2006~~ **2006-2007** under this section.

(5) FROM THE AMOUNT ALLOCATED UNDER SUBSECTION (1), $1,500,000.00 SHALL BE ALLOCATED AS FOLLOWS:

(A) AT LEAST $1,300,000.00 SHALL BE ALLOCATED FOR DISTRICTS OR CONSORTIA THAT DID NOT RECEIVE PAYMENTS FOR 2005-2006 UNDER THIS SECTION AND THAT NOTIFY THE DEPARTMENT OF LABOR AND ECONOMIC GROWTH BY OCTOBER 1, 2006 OF AN INTENTION TO OPERATE A PROGRAM IN 2006-2007 AND PROVIDE AN ESTIMATE OF FULL-TIME EQUATED PARTICIPANTS TO BE SERVED. THE ALLOCATION FOR 2006-2007 SHALL BE BASED ON THE NUMBER OF PARTICIPANTS SERVED BY THE DISTRICT OR CONSORTIUM FOR 2006-2007, USING THE AMOUNT ALLOCATED PER FULL-TIME EQUATED PARTICIPANT UNDER SUBSECTION (6), UP TO A MAXIMUM TOTAL ALLOCATION UNDER THIS SUBSECTION IN AN AMOUNT EQUAL TO $1,400,000.00.

(B) UP TO A MAXIMUM OF $200,000.00 SHALL BE ALLOCATED FOR NOT MORE THAN 1 GRANT NOT TO EXCEED $200,000.00 FOR EXPANSION OF AN EXISTING INNOVATIVE COMMUNITY COLLEGE PROGRAM THAT FOCUSES ON EDUCATING ADULTS. GRANTS MAY BE USED FOR PROGRAM OPERATING EXPENSES SUCH AS STAFFING, RENT, EQUIPMENT, AND OTHER EXPENSES. TO BE ELIGIBLE FOR THIS GRANT FUNDING, A PROGRAM MUST MEET THE FOLLOWING CRITERIA:

(*i*) COLLABORATES WITH LOCAL DISTRICTS AND BUSINESSES TO DETERMINE AREA ACADEMIC NEEDS AND TO PROMOTE THE LEARNING OPPORTUNITIES.

(*ii*) IS LOCATED OFF-CAMPUS IN AN URBAN RESIDENTIAL SETTING WITH DOCUMENTED HIGH POVERTY AND LOW HIGH SCHOOL GRADUATION RATES.

(*iii*) PROVIDES GENERAL EDUCATIONAL DEVELOPMENT (G.E.D.) TEST PREPARATION COURSES AND WORKSHOPS.

(*iv*) PROVIDES DEVELOPMENTAL COURSES TAUGHT BY COLLEGE FACULTY THAT PREPARE STUDENTS TO BE SUCCESSFUL IN COLLEGE-LEVEL COURSES.

(*v*) USES LEARNING COMMUNITIES TO ALLOW FOR SHARED, RATHER THAN ISOLATED, LEARNING EXPERIENCES.

(*vi*) PROVIDES ON-SITE TUTORING.

(*vii*) PROVIDES ACCESS TO UP-TO-DATE TECHNOLOGY, INCLUDING PERSONAL COMPUTERS.

(*viii*) PARTNERS WITH A FINANCIAL INSTITUTION TO PROVIDE FINANCIAL LITERACY EDUCATION.

(*ix*) ASSISTS STUDENTS IN GAINING ACCESS TO FINANCIAL AID.

(*x*) PROVIDES ON-SITE ACADEMIC ADVISING TO STUDENTS.

(*xi*) PROVIDES VOUCHERS FOR REDUCED G.E.D. TESTING COSTS.

(*xii*) PARTNERS WITH LOCAL AGENCIES TO PROVIDE REFERRALS FOR SOCIAL SERVICES AS NEEDED.

(*xiii*) ENROLLS PARTICIPANTS AS STUDENTS OF THE COMMUNITY COLLEGE.

(*xiv*) PARTNERS WITH PHILANTHROPIC AND BUSINESS ENTITIES TO PROVIDE CAPITAL FUNDING.

(C) AFTER OCTOBER 1, 2006, IF THE DEPARTMENT OF LABOR AND ECONOMIC GROWTH DETERMINES THAT THERE WILL BE UNSPENT FUNDS UNDER THIS SUBSECTION, THEN THOSE UNSPENT FUNDS SHALL INSTEAD BE PROPORTIONALLY REALLOCATED TO THE DISTRICTS OR CONSORTIA THAT RECEIVE FUNDS UNDER SUBSECTION (3)(A) AND UNDER THIS SUBSECTION.

(6) ~~(5)~~ The amount allocated under this section per full-time equated participant is $2,850.00 for a 450-hour program. The amount shall be proportionately reduced for a program offering less than 450 hours of instruction.

(7) ~~(6)~~ An adult basic education program or an adult English as a second language program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who are determined by an appropriate assessment to be below ninth grade level in reading or mathematics, or both, or to lack basic English proficiency.

(b) The program tests individuals for eligibility under subdivision (a) before enrollment and tests participants to determine progress after every 90 hours of attendance, using assessment instruments approved by the department of labor and economic growth.

(c) A participant in an adult basic education program is eligible for reimbursement until 1 of the following occurs:

(*i*) The participant's reading and mathematics proficiency are assessed at or above the ninth grade level.

(*ii*) The participant fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction.

(d) A funding recipient enrolling a participant in an English as a second language program is eligible for funding according to subsection ~~(10)~~ **(11)** until the participant meets 1 of the following:

(*i*) The participant is assessed as having attained basic English proficiency.

(*ii*) The participant fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction. The department of labor and economic growth shall provide information to a funding recipient regarding appropriate assessment instruments for this program.

(8) ~~(7)~~ A general educational development (G.E.D.) test preparation program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma.

(b) The program shall administer a G.E.D. pre-test approved by the department of labor and economic growth before enrolling an individual to determine the individual's potential for success on the G.E.D. test, and shall administer other tests after every 90 hours of attendance to determine a participant's readiness to take the G.E.D. test.

(c) A funding recipient shall receive funding according to subsection ~~(10)~~ **(11)** for a participant, and a participant may be enrolled in the program until 1 of the following occurs:

(*i*) The participant passes the G.E.D. test.

(*ii*) The participant fails to show progress on 2 successive tests used to determine readiness to take the G.E.D. test after having completed at least 450 hours of instruction.

(9) ~~(8)~~ A high school completion program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma.

(b) A funding recipient shall receive funding according to subsection ~~(10)~~ **(11)** for a participant in a course offered under this subsection until 1 of the following occurs:

(*i*) The participant passes the course and earns a high school diploma.

(*ii*) The participant fails to earn credit in 2 successive semesters or terms in which the participant is enrolled after having completed at least 900 hours of instruction.

(10) ~~(9)~~ A job or employment-related adult education program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults referred by their employer who are less than 20 years of age, have a high school diploma, are determined to be in need of remedial mathematics or communication arts skills and are not attending an institution of higher education.

(b) An individual may be enrolled in this program and the grant recipient shall receive funding according to subsection ~~(10)~~ **(11)** until 1 of the following occurs:

(*i*) The individual achieves the requisite skills as determined by appropriate assessment instruments administered at least after every 90 hours of attendance.

(*ii*) The individual fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction. The department of labor and economic growth shall provide information to a funding recipient regarding appropriate assessment instruments for this program.

(11) ~~(10)~~ A funding recipient shall receive payments under this section in accordance with the following:

(a) Ninety percent for enrollment of eligible participants.

(b) Ten percent for completion of the adult basic education objectives by achieving an increase of at least 1 grade level of proficiency in reading or mathematics; for achieving basic English proficiency; for passage of the G.E.D. test; for passage of a course required for a participant to attain a high school diploma; or for completion of the course and demonstrated proficiency in the academic skills to be learned in the course, as applicable.

(12) ~~(11)~~ As used in this section, "participant" means the sum of the number of full-time equated individuals enrolled in and attending a department-approved adult education program under this section, using quarterly participant count days on the schedule described in section 6(7)(b).

(13) ~~(12)~~ A person who is not eligible to be a participant funded under this section may receive adult education services upon the payment of tuition. In addition, a person who is not eligible to be served in a program under this section due to the program limitations specified in subsection ~~(6),~~ (7), (8), ~~or~~ (9)**, OR (10)** may continue to receive adult education services in that program upon the payment of tuition. The tuition level shall be determined by the local or intermediate district conducting the program.

(14) ~~(13)~~ An individual who is an inmate in a state correctional facility shall not be counted as a participant under this section.

(15) ~~(14)~~ A district shall not commingle money received under this section or from another source for adult education purposes with any other funds of the district. A district receiving adult education funds shall establish a separate ledger account for those funds. This subsection does not prohibit a district from using general funds of the district to support an adult education or community education program.

(16) ~~(15)~~ A district or intermediate district receiving funds under this section may establish a sliding scale of tuition rates based upon a participant's family income. A district or intermediate district may charge a participant tuition to receive adult education services under this section from that sliding scale of tuition rates on a uniform basis. The amount of tuition charged per participant shall not exceed the actual operating cost per participant minus any funds received under this section per participant. A district or intermediate district may not charge a participant tuition under this section if the participant's income is at or below 200% of the federal poverty guidelines published by the United States department of health and human services.

Sec. 121. (1) The valuation of a whole or fractional district shall be the total taxable value of the property contained in the whole or fractional district as last determined by the state tax commission and placed on the ad valorem tax roll. For purposes of computations made under this act, except as provided in section 26, the taxable value of a district or intermediate district shall include the value of property used to calculate the tax imposed on lessees or users of tax-exempt property under ~~Act No. 189 of the Public Acts of 1953, being sections 211.181 to 211.182 of the Michigan Compiled Laws~~ **1953 PA 189, MCL 211.181 TO 211.182, AND THE VALUE OF PROPERTY USED TO CALCULATE THE STATE PAYMENT IN LIEU OF TAXES ON STATE PURCHASED PROPERTY UNDER SECTION 2153 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT, 1994 PA 451, MCL 324.2153**. Adjustments to this taxable value shall be made for all of the following:

(a) State tax tribunal decisions.

(b) Court decisions.

(c) Local board of review adjustments made after the state tax commission determination.

(d) Lands deeded to the state for jurisdictions without delinquent tax revolving funds or for jurisdictions that have required repayment to the delinquent tax revolving funds.

(e) The requirements of this act.

(2) Adjustments under subsection (1) shall not be made for more than the 6 state fiscal years immediately preceding the state fiscal year in which the adjustment is made, except that an adjustment pursuant to a state tax tribunal decision or court decision shall be made for the tax years involved in the decision and any subsequent years affected by the decision.

Sec. 147. ~~(1)~~ The allocation for ~~2005-2006~~ **2006-2007** for the public school employees' retirement system pursuant to the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, shall be made using the entry age normal cost actuarial method and risk assumptions adopted by the public school employees retirement board and the department of management and budget. The annual level percentage of payroll contribution rate is estimated at ~~16.34%~~ **17.74%** for the ~~2005-2006~~ **2006-2007** state fiscal year. The portion of the contribution rate assigned to districts and intermediate districts for each fiscal year is all of the total percentage points. This contribution rate reflects an amortization period of ~~31~~ **30** years for ~~2005-2006~~ **2006-2007**. The public school employees' retirement system board shall notify each district and intermediate district by February 28 of each fiscal year of the estimated contribution rate for the next fiscal year.

~~(2) It is the intent of the legislature that the amortization period described in section 41(2) of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, be reduced to 30 years by the end of the 2005-2006 state fiscal year by reducing the amortization period by not more than 1 year each fiscal year.~~

Sec. 161a. If a court determines that a person intentionally violated section 411a of the Michigan penal code, 1931 PA 328, MCL 750.411a, by making a false report of the commission of a crime described in section ~~6(6)(g)~~ **6(6)(F)** knowing the report to be false for the purpose of having a pupil counted in membership in a district under section ~~6(6)(g)~~ **6(6)(F)**, as part of the restitution ordered under section 30 of chapter XIIA of 1939 PA 288, MCL 712A.30, section 16, 44, or 76 of the crime victim's rights act, 1985 PA 87, MCL 780.766, 780.794, and 780.826, or section 1a of chapter IX of the code of criminal procedure, 1927 PA 175, MCL 769.1a, the court may order the person to pay the pupil's district of residence an amount that is not more than the state school aid that district would have received attributable to the pupil if the pupil had been counted in membership in his or her district of residence.

Sec. 167. (1) The department in cooperation with the department of community health shall develop plans to assist districts and intermediate districts and local county health departments to comply with section 1177 of the revised school code, MCL 380.1177, and section 9209 of the public health code, 1978 PA 368, MCL 333.9209, for each school year.

(2) Each district or intermediate district shall report to the local health department in which it is located by November 1 of each fiscal year, in a manner prescribed by the department of community health, the immunization status of each pupil in grades K through 12 who enrolled in the district or intermediate district for the first time or,

beginning in 2002-2003, who enrolled in grade 6 in the district or intermediate district for the first time, between January 1 and September 30 of the immediately preceding fiscal year. Not later than December 31 of each fiscal year, the department of community health shall notify the department by district or intermediate district of the percentage of entering pupils and, beginning in 2002-2003, of pupils who enrolled in grade 6 for the first time who do not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177. If a district or intermediate district does not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177, for at least 90% of the district's or intermediate district's entering pupils, as recorded in the November 1 reports required under this subsection, the district or intermediate district is subject to subsection (4) until the district or intermediate district has such an immunization record for at least 90% of its pupils who enrolled in the district or intermediate district for the first time.

(3) Each district or intermediate district shall again report to the local health department in which it is located by February 1 of each fiscal year, in a manner prescribed by the department of community health, the immunization status of each pupil in grades K through 12 who enrolled in the district or intermediate district for the first time or, beginning in 2002-2003, who enrolled in grade 6 in the district or intermediate district for the first time, between January 1 of the immediately preceding fiscal year and December 31 of the current fiscal year. Not later than March 31 of each fiscal year, the department of community health shall notify the department by district or intermediate district of the percentage of entering pupils and, beginning in 2002-2003, of pupils who enrolled in grade 6 for the first time who do not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177. If a district or intermediate district does not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177, for at least 95% of the district's or intermediate district's entering pupils, as recorded in the February 1 reports required under this subsection, the district or intermediate district is subject to subsection (4) until the district or intermediate district has such an immunization record for at least 95% of its pupils who enrolled in the district or intermediate district for the first time. If the department of community health is not able to report to the department by March 31 because a district or intermediate district fails to submit a report as required in this subsection, or submits an incomplete, inaccurate, or late report, the district or intermediate district is subject to subsection (4) until the report is submitted in a complete and accurate form.

(4) If a district or intermediate district does not comply with this section, the department shall withhold 5% of the total funds due to the district or intermediate district under this act after the date the department of community health reports a district's or intermediate district's noncompliance with this section to the department until the district or intermediate district complies with this section. If the district or intermediate district does not comply with this section by the end of the fiscal year, the district or intermediate district forfeits the total amount withheld.

~~(5) For 2005-2006 only, if a pupil has been evacuated from another state and relocated in this state due to a natural disaster and is being educated in a district, if the pupil's immunization record has not yet been received or confirmed, and if the district is making a good faith effort to obtain immunization information concerning the pupil, the district may exclude the pupil from the calculation of the specified percentages in subsections (2) and (3).~~

Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at $11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at $11,536,597,200.00.

(2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at $11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at $11,285,376,300.00.

Enacting section 2. Sections 31b, 33, 99b, and 105a of the state school aid act of 1979, 1979 PA 94, MCL 388.1631b, 388.1633, 388.1699b, and 388.1705a, are repealed.

Enacting section 3. (1) Except as otherwise provided in subsection (2), this amendatory act takes effect October 1, 2006.

(2) Sections 11, 15, 22a, 22b, 51a, 51c, 56, and 62 of the state school aid act of 1979, 1979 PA 94, MCL 388.1611, 388.1615, 388.1622a, 388.1622b, 388.1651a, 388.1651c, 388.1656, and 388.1662, as amended by this amendatory act, take effect upon enactment of this amendatory act.

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

A bill to amend 1979 PA 94, entitled "An act to make appropriations to aid in the support of the public schools 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 3, 6, 11, 11a, 11f, 11g, 11j, 11k, 14, 15, 17a, 17b, 18, 20, 20j, 22a, 22b, 22d, 24, 25a, 26a, 26b, 31a, 31d, 31f, 32c, 32d, 32j, 32*l*, 34, 37, 39a, 41, 41a, 51a, 51c, 51d, 53a, 54, 54a, 56, 57, 61a, 62, 74, 81, 94a, 98, 98b, 99, 101, 105, 105c, 107, 121, 147, 161a, and 167 (MCL 388.1603, 388.1606, 388.1611, 388.1611a, 388.1611f, 388.1611g,

388.1611j, 388.1611k, 388.1614, 388.1615, 388.1617a, 388.1617b, 388.1618, 388.1620, 388.1620j, 388.1622a, 388.1622b, 388.1622d, 388.1624, 388.1625a, 388.1626a, 388.1626b, 388.1631a, 388.1631d, 388.1631f, 388.1632c, 388.1632d, 388.1632j, 388.1632*l*, 388.1634, 388.1637, 388.1639a, 388.1641, 388.1641a, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1654a, 388.1656, 388.1657, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1694a, 388.1698, 388.1698b, 388.1699, 388.1701, 388.1705, 388.1705c, 388.1707, 388.1721, 388.1747, 388.1761a, and 388.1767), sections 3, 6, 11, 11a, 11g, 11j, 15, 18, 20j, 22a, 22b, 22d, 24, 26a, 31d, 32c, 32d, 32j, 37, 39a, 41, 41a, 51c, 51d, 53a, 54, 56, 57, 61a, 62, 74, 81, 94a, 98, 98b, 99, 101, 105, 105c, 107, 147, and 167 as amended and sections 11k, 26b, 31f, 32*l*, and 54a as added by 2005 PA 155, section 11f as amended by 2006 PA 119, section 14 as amended by 1993 PA 336, section 17a as amended by 2005 PA 95, section 17b as amended by 2005 PA 150, section 20 as amended and section 34 as added by 2006 PA 120, sections 25a and 161a as added by 1998 PA 553, section 31a as amended by 2006 PA 121, section 51a as amended by 2006 PA 90, and section 121 as amended by 1995 PA 130, and by adding sections 11m, 22c, 24a, 24c, 29, 31c, 32b, 32m, 54b, 57a, 64, 65, 98c, 99c, 99d, 99e, 99f, 99g, 99h, and 104; and to repeal acts and parts of acts.

Ron Jelinek
Alan L. Cropsey
Michael Switalski
Conferees for the Senate

John Moolenaar
David Farhat
Jim Plakas
Conferees for the House

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

Rep. Ward moved pursuant to Joint Rule 9, that the Journal printing requirement be suspended, printed copies of the conference report having been made available to each Member.

The motion prevailed.

The question being on the adoption of the conference report,

The conference report was then adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 891 **Yeas—103**

Accavitti	Elsenheimer	Leland	Robertson
Acciavatti	Emmons	Lemmons, III	Rocca
Adamini	Espinoza	Lemmons, Jr.	Sak
Amos	Farhat	Lipsey	Schuitmaker
Anderson	Farrah	Marleau	Shaffer
Angerer	Gaffney	Mayes	Sheen
Ball	Garfield	McConico	Sheltrown
Baxter	Gillard	McDowell	Smith, Alma
Bennett	Gleason	Meisner	Spade
Bieda	Gonzales	Meyer	Stahl
Booher	Green	Miller	Stakoe
Brandenburg	Hansen	Moolenaar	Steil
Brown	Hildenbrand	Moore	Stewart
Byrnes	Hood	Mortimer	Taub
Byrum	Hoogendyk	Murphy	Tobocman
Casperson	Hopgood	Newell	Vagnozzi
Caswell	Hummel	Nitz	Van Regenmorter
Caul	Hune	Nofs	Vander Veen
Cheeks	Hunter	Palmer	Walker
Clack	Jones	Palsrok	Ward
Clemente	Kahn	Pastor	Waters
Condino	Kolb	Pavlov	Wenke
Cushingberry	Kooiman	Pearce	Williams
DeRoche	LaJoy	Plakas	Wojno

Dillon	Law, David	Polidori	Zelenko
Donigan	Law, Kathleen	Proos	

Nays—3

Drolet	Gosselin	Smith, Virgil

In The Chair: Kooiman

Rep. Ward moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.

By unanimous consent the House returned to the order of

Motions and Resolutions

Rep. Ward moved that Rule 45 be suspended.
The motion prevailed, 3/5 of the members present voting therefor.

Rep. Ward moved that the Committee on Banking and Financial Services be discharged from further consideration of **Senate Bill No. 640**.
The motion prevailed, a majority of the members serving voting therefor.
The bill was placed on the order of Second Reading of Bills.

Third Reading of Bills

House Bill No. 5021, entitled
A bill to amend 1975 PA 228, entitled "Single business tax act," by amending section 9 (MCL 208.9), as amended by 2004 PA 258, and by adding section 35e.
Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 892 **Yeas—106**

Accavitti	Elsenheimer	Leland	Robertson
Acciavatti	Emmons	Lemmons, III	Rocca
Adamini	Espinoza	Lemmons, Jr.	Sak
Amos	Farhat	Lipsey	Schuitmaker
Anderson	Farrah	Marleau	Shaffer
Angerer	Gaffney	Mayes	Sheen
Ball	Garfield	McConico	Sheltrown
Baxter	Gillard	McDowell	Smith, Alma
Bennett	Gleason	Meisner	Smith, Virgil
Bieda	Gonzales	Meyer	Spade
Booher	Gosselin	Miller	Stahl
Brandenburg	Green	Moolenaar	Stakoe
Brown	Hansen	Moore	Steil
Byrnes	Hildenbrand	Mortimer	Stewart
Byrum	Hood	Murphy	Taub
Casperson	Hoogendyk	Newell	Tobocman
Caswell	Hopgood	Nitz	Vagnozzi
Caul	Hummel	Nofs	Van Regenmorter

Cheeks
Clack
Clemente
Condino
Cushingberry
DeRoche
Dillon
Donigan
Drolet
Hune
Hunter
Jones
Kahn
Kolb
Kooiman
LaJoy
Law, David
Law, Kathleen
Palmer
Palsrok
Pastor
Pavlov
Pearce
Plakas
Polidori
Proos
Vander Veen
Walker
Ward
Waters
Wenke
Williams
Wojno
Zelenko

Nays—0

In The Chair: Kooiman

The question being on agreeing to the title of the bill,
Rep. Ward moved to amend the title to read as follows:
A bill to amend 1975 PA 228, entitled "Single business tax act," (MCL 208.1 to 208.145) by adding section 36e.
The motion prevailed.
The House agreed to the title as amended.
Rep. Ward moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.

House Bill No. 5022, entitled
A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 30 (MCL 206.30), as amended by 2004 PA 394, and by adding section 272.
Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 893 **Yeas—106**

Accavitti
Acciavatti
Adamini
Amos
Anderson
Angerer
Ball
Baxter
Bennett
Bieda
Booher
Brandenburg
Brown
Byrnes
Byrum
Casperson
Caswell
Caul
Cheeks
Clack
Clemente
Condino
Cushingberry
DeRoche
Elsenheimer
Emmons
Espinoza
Farhat
Farrah
Gaffney
Garfield
Gillard
Gleason
Gonzales
Gosselin
Green
Hansen
Hildenbrand
Hood
Hoogendyk
Hopgood
Hummel
Hune
Hunter
Jones
Kahn
Kolb
Kooiman
Leland
Lemmons, III
Lemmons, Jr.
Lipsey
Marleau
Mayes
McConico
McDowell
Meisner
Meyer
Miller
Moolenaar
Moore
Mortimer
Murphy
Newell
Nitz
Nofs
Palmer
Palsrok
Pastor
Pavlov
Pearce
Plakas
Robertson
Rocca
Sak
Schuitmaker
Shaffer
Sheen
Sheltrown
Smith, Alma
Smith, Virgil
Spade
Stahl
Stakoe
Steil
Stewart
Taub
Tobocman
Vagnozzi
Van Regenmorter
Vander Veen
Walker
Ward
Waters
Wenke
Williams

Dillon	LaJoy	Polidori	Wojno
Donigan	Law, David	Proos	Zelenko
Drolet	Law, Kathleen		

Nays—0

In The Chair: Kooiman

The question being on agreeing to the title of the bill,
Rep. Ward moved to amend the title to read as follows:
A bill to amend 1967 PA 281, entitled "Income tax act of 1967," (MCL 206.1 to 206.532) by adding section 272.
The motion prevailed.
The House agreed to the title as amended.
Rep. Ward moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.

Notices

Rep. Garfield, under Rule 33, made the following statement:
"Mr. Speaker and members of the House:
I was absent from the Chamber when the vote was taken on Roll Call Nos. 857-871. Had I been present, I would have voted 'yea' on Roll Call Nos. 857-867 and 871 and 'nay' on Roll Call Nos. 868-870."

By unanimous consent the House returned to the order of

Second Reading of Bills

Senate Bill No. 640, entitled
A bill to permit the establishment and maintenance of individual or family development accounts; to provide for certain tax deductions and tax credits; to prescribe the requirements of and restrictions on individual or family development accounts; to provide for the promulgation of rules; and to provide penalties and remedies.
The bill was read a second time.

Rep. Robertson moved to amend the bill as follows:
1. Amend page 4, line 8, after "program" by striking out "based on" and inserting "taking into consideration".
The motion prevailed and the amendment was adopted, a majority of the members serving voting therefor.

Rep. Robertson moved to amend the bill as follows:
1. Amend page 6, following line 15, by inserting:
"(6) The agency shall work cooperatively with financial institutions, fiduciary organizations, program sites, and contributors to implement the programs under this act.".
The motion prevailed and the amendment was adopted, a majority of the members serving voting therefor.
Rep. Ward moved that the bill be placed on the order of Third Reading of Bills.
The motion prevailed.
Rep. Ward moved that the bill be placed on its immediate passage.
The motion prevailed, a majority of the members serving voting therefor.

By unanimous consent the House returned to the order of

Third Reading of Bills

Senate Bill No. 640, entitled
A bill to permit the establishment and maintenance of individual or family development accounts; to provide for certain tax deductions and tax credits; to prescribe the requirements of and restrictions on individual or family development accounts; to provide for the promulgation of rules; and to provide penalties and remedies.
Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 894 **Yeas—106**

Accavitti
Acciavatti
Adamini
Amos
Anderson
Angerer
Ball
Baxter
Bennett
Bieda
Booher
Brandenburg
Brown
Byrnes
Byrum
Casperson
Caswell
Caul
Cheeks
Clack
Clemente
Condino
Cushingberry
DeRoche
Dillon
Donigan
Drolet
Elsenheimer
Emmons
Espinoza
Farhat
Farrah
Gaffney
Garfield
Gillard
Gleason
Gonzales
Gosselin
Green
Hansen
Hildenbrand
Hood
Hoogendyk
Hopgood
Hummel
Hune
Hunter
Jones
Kahn
Kolb
Kooiman
LaJoy
Law, David
Law, Kathleen
Leland
Lemmons, III
Lemmons, Jr.
Lipsey
Marleau
Mayes
McConico
McDowell
Meisner
Meyer
Miller
Moolenaar
Moore
Mortimer
Murphy
Newell
Nitz
Nofs
Palmer
Palsrok
Pastor
Pavlov
Pearce
Plakas
Polidori
Proos
Robertson
Rocca
Sak
Schuitmaker
Shaffer
Sheen
Sheltrown
Smith, Alma
Smith, Virgil
Spade
Stahl
Stakoe
Steil
Stewart
Taub
Tobocman
Vagnozzi
Van Regenmorter
Vander Veen
Walker
Ward
Waters
Wenke
Williams
Wojno
Zelenko

Nays—0

In The Chair: Kooiman

The House agreed to the title of the bill.
Rep. Ward moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.

By unanimous consent the House returned to the order of

Messages from the Senate

House Bill No. 5839, entitled
A bill to amend 1987 PA 96, entitled "The mobile home commission act," by amending sections 4, 5, 6, 9, 12, 16, 17, 21, 30a, and 30c (MCL 125.2304, 125.2305, 125.2306, 125.2309, 125.2312, 125.2316, 125.2317, 125.2321, 125.2330a, and 125.2330c).
The Senate has substituted (S-5) the bill.
The Senate has passed the bill as substituted (S-5), ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.
The Speaker announced that pursuant to Rule 45, the bill was laid over one day.
Rep. Ward moved that Rule 45 be suspended.
The motion prevailed, 3/5 of the members present voting therefor.
The question being on concurring in the substitute (S-5) made to the bill by the Senate,

Rep. Ward moved that consideration of the bill be postponed temporarily.
The motion prevailed.

House Bill No. 6005, entitled

A bill to amend 1975 PA 197, entitled "An act to provide for the establishment of a downtown development authority; to prescribe its powers and duties; to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans in the districts; to promote the economic growth of the districts; to create a board; to prescribe its powers and duties; to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidences of indebtedness; to authorize the use of tax increment financing; to reimburse downtown development authorities for certain losses of tax increment revenues; and to prescribe the powers and duties of certain state officials," by amending section 3b (MCL 125.1653b), as amended by 1993 PA 323.

The Senate has passed the bill and ordered that it be given immediate effect.

Rep. Ward moved that the bill be given immediate effect.

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

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

Rep. Sak moved that Rep. Cushingberry be excused temporarily from today's session.

The motion prevailed.

The Speaker laid before the House

House Bill No. 5063, entitled

A bill to amend 1939 PA 280, entitled "The social welfare act," by amending section 109 (MCL 400.109), as amended by 2002 PA 673.

(The bill was received from the Senate on March 8, with substitute (S-1), full title inserted and immediate effect given by the Senate, consideration of which, under the rules, was postponed until March 9, see House Journal No. 24, p. 453.)

The question being on concurring in the substitute (S-1) made to the bill by the Senate,

The substitute (S-1) was concurred in, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 895 **Yeas—105**

Accavitti
Acciavatti
Adamini
Amos
Anderson
Angerer
Ball
Baxter
Bennett
Bieda
Booher
Brandenburg
Brown
Byrnes
Byrum
Casperson
Caswell
Caul
Cheeks
Clack
Clemente
Condino
Emmons
Espinoza
Farhat
Farrah
Gaffney
Garfield
Gillard
Gleason
Gonzales
Gosselin
Green
Hansen
Hildenbrand
Hood
Hoogendyk
Hopgood
Hummel
Hune
Hunter
Jones
Kahn
Kolb
Leland
Lemmons, III
Lemmons, Jr.
Lipsey
Marleau
Mayes
McConico
McDowell
Meisner
Meyer
Miller
Moolenaar
Moore
Mortimer
Murphy
Newell
Nitz
Nofs
Palmer
Palsrok
Pastor
Pavlov
Robertson
Rocca
Sak
Schuitmaker
Shaffer
Sheen
Sheltrown
Smith, Alma
Smith, Virgil
Spade
Stahl
Stakoe
Steil
Stewart
Taub
Tobocman
Vagnozzi
Van Regenmorter
Vander Veen
Walker
Ward
Waters

DeRoche
Dillon
Donigan
Drolet
Elsenheimer
Kooiman
LaJoy
Law, David
Law, Kathleen
Pearce
Plakas
Polidori
Proos
Wenke
Williams
Wojno
Zelenko

Nays—0

In The Chair: Kooiman

The House agreed to the full title of the bill.

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

The House returned to the consideration of

House Bill No. 5839, entitled

A bill to amend 1987 PA 96, entitled "The mobile home commission act," by amending sections 4, 5, 6, 9, 12, 16, 17, 21, 30a, and 30c (MCL 125.2304, 125.2305, 125.2306, 125.2309, 125.2312, 125.2316, 125.2317, 125.2321, 125.2330a, and 125.2330c).

(The bill was considered earlier today, see today's Journal, p. 2276.)

The question being on concurring in the substitute (S-5) made to the bill by the Senate,

The substitute (S-5) was concurred in, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 896 **Yeas—79**

Accavitti
Adamini
Amos
Anderson
Angerer
Ball
Bennett
Bieda
Brown
Byrnes
Byrum
Caul
Cheeks
Clack
Clemente
Condino
DeRoche
Dillon
Donigan
Elsenheimer
Emmons
Espinoza
Farhat
Farrah
Gaffney
Gillard
Gleason
Gonzales
Green
Hildenbrand
Hood
Hopgood
Hummel
Hune
Hunter
Jones
Kahn
Kolb
Kooiman
LaJoy
Law, David
Law, Kathleen
Leland
Lemmons, III
Lemmons, Jr.
Lipsey
Marleau
Mayes
McConico
McDowell
Meisner
Miller
Mortimer
Murphy
Newell
Nitz
Palsrok
Pavlov
Pearce
Plakas
Polidori
Proos
Rocca
Sak
Shaffer
Smith, Alma
Smith, Virgil
Spade
Stakoe
Taub
Tobocman
Vagnozzi
Vander Veen
Ward
Waters
Wenke
Williams
Wojno
Zelenko

Nays—26

Acciavatti
Baxter
Booher
Garfield
Gosselin
Hansen
Nofs
Palmer
Pastor
Sheltrown
Stahl
Steil

Brandenburg	Hoogendyk	Robertson	Stewart
Casperson	Meyer	Schuitmaker	Van Regenmorter
Caswell	Moolenaar	Sheen	Walker
Drolet	Moore		

In The Chair: Kooiman

Rep. Ward moved that the bill be given immediate effect.

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

The House agreed to the full title of the bill.

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

By unanimous consent the House returned to the order of

Motions and Resolutions

Reps. Mayes, Kahn, Farrah, Polidori, Brown, Adamini, McDowell, Espinoza, Williams, Moolenaar, Moore, Gillard, Proos, Hansen, Sheltrown, Accavitti, Acciavatti, Ball, Brandenburg, Byrnes, Byrum, Clack, Condino, Cushingberry, Farhat, Garfield, Gonzales, Green, Hopgood, Kolb, David Law, Kathleen Law, Lemmons, Jr., Lipsey, Meyer, Miller, Murphy, Nitz, Nofs, Plakas, Sak, Alma Smith, Spade, Vagnozzi, Waters, Zelenko and Gleason offered the following resolution:

House Resolution No. 288.

A resolution to memorialize Congress to increase funding to dredge Michigan's deep-draft Great Lakes ports and waterways.

Whereas, Michigan is home to 40 deep-draft commercial ports on the Great Lakes, more than the other seven Great Lakes states combined; and

Whereas, In a typical year, these ports will handle in excess of 90 million tons of cargo, representing more than 50 percent of all the cargo moving on the Lakes, and the equivalent of 10 tons for each Michigan resident. The ports of Calcite, Cedarville, Drummond Island, Port Inland, and Presque Isle typically ship nearly 70 percent of the limestone moving on the Great Lakes. The ports of Marquette and Escanaba account for more than 20 percent of the Lakes' iron ore trade. The ports of Alpena and Charlevoix are the primary source of cement carried on the Great Lakes; and

Whereas, This waterborne commerce generates tens of thousands of family-sustaining jobs in Michigan and supports the state economy. For example, Michigan's steel and construction industries depend on Great Lakes shipping to deliver efficiently millions of tons of raw materials they need each year; and

Whereas, The U.S. Department of Transportation is promoting Short Sea Shipping—commercial waterborne transportation along the inland and coastal waterways—as a means of easing congestion on the nation's crowded highways and railbeds; and

Whereas, Waterborne commerce is the most environmentally friendly mode of transportation, using less fuel and producing fewer emissions than trucks or trains. In addition, the efficiencies of waterborne commerce enable Michigan utilities to use clean-burning low-sulfur coal loaded in Wisconsin and shipped on the Great Lakes; and

Whereas, Michigan's deep-draft Great Lakes ports and waterways are long overdue for needed dredging to deepen them. For example, while currently under way, it had been 23 years since the Saginaw River turning basin was last dredged; and

Whereas, Michigan's economy is not reaping the full benefits of Great Lakes shipping due to the lack of necessary dredging. Ships cannot carry full loads and offer customers the best freight rates. The largest vessels delivering low-sulfur coal to Michigan are leaving behind as much as 4,500 tons each trip. Shortfalls in deliveries of iron ore, limestone, cement, and other cargos hamper Michigan employers' ability to compete; and

Whereas, The U.S. Army Corps of Engineers' budget for dredging Great Lakes ports and waterways has been inadequate for decades. This is true even though cargo is assessed a federal tax to fund dredging and the Harbor Maintenance Trust Fund has a surplus of nearly $2 billion; now, therefore, be it

Resolved by the House of Representatives, That we memorialize Congress to increase federal funding for dredging Michigan's Great Lakes deep-draft ports and waterways, using surplus monies from the Harbor Maintenance Trust Fund; and be it further

Resolved, That we urge Congress to direct the U.S. Army Corps of Engineers to clear the backlog of dredging projects at Michigan's ports and waterways and to then maintain those harbors and channels to project depth in the future; 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 U.S. Army Corps of Engineers.

The resolution was referred to the Committee on Natural Resources, Great Lakes, Land Use, and Environment.

Reps. Espinoza, Brown, Alma Smith, Adamini, Tobocman, Sheltrown, Farrah, Polidori, Bieda, Sak, Miller, Clemente, Plakas, McDowell, Byrum, Leland, Accavitti, Anderson, Ball, Brandenburg, Byrnes, Clack, Condino, Farhat, Garfield, Gillard, Gonzales, Green, Hopgood, Jones, Kolb, David Law, Kathleen Law, Lemmons, Jr., Lipsey, Mayes, Moore, Murphy, Nofs, Spade, Vagnozzi, Waters, Zelenko and Gleason offered the following resolution:

House Resolution No. 289.

A resolution to memorialize the Governor to amend the powers and duties of the Veterans Memorial Park Commission related to property acquisition of military-related sites and protection of veterans memorials or military-related sites from encroachment.

Whereas, The Veterans Memorial Park Commission, established under ERO No. 2001-4, MCL 35.1082, should have several powers and duties in addition to those described in ERO No. 2001-4, MCL 35.1082, in order to carry out its duties more effectively; and

Whereas, The commission should meet at least one time in a calendar year; and

Whereas, The commission should determine whether any military-related site in this state should be acquired, by purchase or other means, so that the site can be protected as a military or veterans memorial site. In deciding whether property is available for acquisition, the commission may consider input from the Department of Military and Veterans Affairs, the Department of History, Arts, and Libraries, the Michigan Historical Museum, and the general public; and

Whereas, Upon a request from a member of the Michigan Legislature concerning an existing military-related site or veterans memorial on public property that may be subject to encroachment, the commission should review the request and make recommendations to the Legislature about addressing the encroachment, including, but not limited to, a recommendation to relocate the memorial or a recommendation to the local unit of government where the memorial is located; and

Whereas, It should be the policy of the commission, within 180 days of considering input from the parties listed above, to determine whether to recommend that the property be acquired for protection under this act and, if a majority of commission members recommend acquisition of specific properties, the commission may report recommendations to the Legislature. After reviewing the report, the Legislature shall determine how and whether to proceed; now, therefore, be it

Resolved by the House of Representatives, That we memorialize the Governor to amend the powers and duties of the Veterans Memorial Park Commission related to property acquisition of military-related sites and protection of veterans memorials or military-related sites from encroachment; and be it further

Resolved, That a copy of this resolution be transmitted to the Governor of the State of Michigan.

The resolution was referred to the Committee on Government Operations.

Reps. Angerer, Accavitti, Adamini, Anderson, Ball, Bieda, Brown, Byrnes, Byrum, Casperson, Clack, Condino, Cushingberry, Farrah, Gillard, Gonzales, Green, Hopgood, Kolb, David Law, Kathleen Law, Lemmons, Jr., Lipsey, Mayes, McDowell, Miller, Mortimer, Murphy, Nofs, Plakas, Polidori, Sak, Sheltrown, Alma Smith, Spade, Stakoe, Tobocman, Vagnozzi, Waters, Zelenko and Gleason offered the following resolution:

House Resolution No. 290.

A resolution recognizing the Monroe County War of 1812 Bicentennial Committee as they organize events commemorating Michigan's role in the War of 1812.

Whereas, It is with profound respect and appreciation that we recognize and acknowledge the commitment and effort of the Monroe County War of 1812 Bicentennial Committee. The committee is comprised of dedicated citizens, governmental entities, corporations, and non-profit and civic organizations from throughout Monroe County. The Bicentennial Committee plans to commemorate the Battle of the River Raisin and the War of 1812 by celebrating and promoting the historical significance of both events; and

Whereas, The Bicentennial Committee is committed to creating as much awareness of this significant anniversary as is possible. Relationships are being forged with similar committees for the state of Michigan as well as Ohio, New York, Kentucky and the Province of Ontario in order to share resources and to maximize exposure; and

Whereas, Monroe County's commemoration has been divided among several committees that are each responsible for a different facet of the Bicentennial. Most compelling among these committees is the Historical and Cultural Committee that plans to restage Hull's march through Monroe County as well as a battle reenactment on the historic date. The Educational Committee plans to engage both the general public and school children with programming and published material shared with each group in appropriate ways. Other committees are hard at work preserving and

enhancing the actual battlefield, designing materials to promote heritage tourism, and raising money and marketing the work of the Bicentennial Committee; and

Whereas, The Battle of the River Raisin was fought on January 22, 1813. It was one of the larger engagements of the War of 1812 and remains the largest land battle ever fought on Michigan soil. Only 33 of the 934 American soldiers who fought in the battle escaped death or capture. The brutal massacre of wounded soldiers that occurred the next day shocked and enraged Americans throughout the Northwestern Territories and became a rallying cry throughout the duration of the war; now therefore be it

Resolved, by the House of Representatives, That members of this legislative body recognize the Monroe County War of 1812 Bicentennial Committee as they organize events commemorating Michigan's role in the War of 1812; and be it further

Resolved, That other Michigan residents and historical society's interested in this particular period of American history be encouraged to join efforts with the Monroe County War of 1812 Bicentennial Committee; and be it further

Resolved, That a copy of this resolution be transmitted to the Library of Congress, the Library of Michigan, the Michigan Historical Archives, and the County of Monroe.

The resolution was referred to the Committee on Government Operations.

Reps. Miller, Accavitti, Adamini, Anderson, Ball, Brown, Clack, Condino, Cushingberry, Espinoza, Farhat, Farrah, Gillard, Gonzales, Hopgood, Kolb, Kathleen Law, Lemmons, Jr., Lipsey, Mayes, McDowell, Murphy, Plakas, Polidori, Alma Smith, Spade, Vagnozzi, Waters, Zelenko and Gleason offered the following resolution:

House Resolution No. 291.

A resolution to urge the President of the United States to work to bring about an immediate cease fire in Lebanon and the Gaza area to stop the killing of innocent civilians on all sides.

Whereas, After tentative, hopeful signs over the recent past that a peace process could be implemented, the Middle East has erupted in violence. Kidnappings, rocket attacks, and ground operations have led to the most severe escalation of military action in more than 20 years; and

Whereas, In a matter of days, hundreds of innocent civilians have lost their lives in south Lebanon, the Gaza strip, and Israel. Thousands more have suffered the loss of their homes, businesses, and stability, and hospitals are filled with seriously injured victims of all ages. Equally as frightening is the possibility that, if left unchecked, the actions in Gaza, Lebanon, and Israel could extend to engulf the entire region in war. With the tensions that already exist in the Middle East, continuation of this armed conflict holds disastrous peril; and

Whereas, With the complexity of the issues, history, and many entities involved, there is clearly a monumental task ahead to bring peace to the region. The first step in this challenge is to achieve an immediate cease fire to stop the killing of innocent civilians. The stakes, for our country, the entire Middle East region, and many other countries, are too high not to work tirelessly toward this end; now, therefore, be it

Resolved by the House of Representatives, That we urge the President of the United States to work to bring about an immediate cease fire in Lebanon and the Gaza area to stop the killing of innocent civilians on all sides; and be it further

Resolved, That copies of this resolution be transmitted to the Office of the President of the United States.

The resolution was referred to the Committee on Government Operations.

Reps. Farhat, Kooiman, Hummel, Ward, Hildenbrand, Accavitti, Acciavatti, Anderson, Angerer, Ball, Bieda, Booher, Brandenburg, Brown, Byrum, Casperson, Caul, Clack, Cushingberry, Espinoza, Farrah, Garfield, Gillard, Gonzales, Green, Hansen, Hopgood, Jones, Kolb, LaJoy, David Law, Kathleen Law, Lemmons, Jr., Lipsey, Mayes, McDowell, Meyer, Miller, Moore, Mortimer, Murphy, Newell, Nitz, Nofs, Palmer, Plakas, Polidori, Proos, Sak, Shaffer, Sheltrown, Alma Smith, Spade, Stahl, Stakoe, Tobocman, Vagnozzi, Vander Veen, Waters, Zelenko and Gleason offered the following resolution:

House Resolution No. 292.

A resolution to urge the Civil Service Commission to extend the sunset on the special pay provisions for members of Reserve or National Guard units who are ordered to active duty.

Whereas, On September 11, 2001, our nation was attacked. Nearly 3,000 people were murdered in New York City, the Pentagon, and in Pennsylvania. Since that morning nearly five years ago, we have been at war. In this war, elements of our National Guard and service reserves have been on continuous duty, mobilized to support our active component military; and

Whereas, Rule 2-14 of the Civil Service Commission contains a special pay provision that provides that any state employee in a career appointment who is a member of a Reserve or National Guard unit who enters emergency active duty after September 11, 2001, shall be eligible for the special pay provision for the duration of their active duty in the uniformed services. This provision as currently written is scheduled to end on September 30, 2006. Without an extension, the eligibility for special pay under this rule will be limited to a period of the first 30 days of service; and

Whereas, By authorizing special pay for state employees mobilized to serve during war, our state demonstrates admirable solidarity with and support for our reservists who have been called from their families to serve on active duty. This special pay helps the families of our mobilized employees avoid financial hardship and reduces the worries of our National Guard and Reserve members about their families back home. Our Reserve and National Guard personnel continue to serve with distinction. It would be a tragic mistake to let them down by allowing this special pay provision to lapse; now, therefore, be it

Resolved by the House of Representatives, That we urge the Civil Service Commission to extend the sunset on the special pay provisions for members of Reserve or National Guard units who are ordered to active duty; and be it further

Resolved, That a copy of this resolution be transmitted to the state Civil Service Commission.

Pending the reference of the resolution to a committee,

Rep. Ward moved that Rule 77 be suspended and the resolution be considered at this time.

The motion prevailed, 3/5 of the members present voting therefor.

The question being on the adoption of the resolution,

The resolution was adopted.

Reps. Nofs, Accavitti, Adamini, Anderson, Ball, Bieda, Booher, Brandenburg, Brown, Byrum, Casperson, Caul, Clack, Condino, Espinoza, Farrah, Garfield, Gillard, Gonzales, Green, Hansen, Hildenbrand, Hopgood, Jones, Kolb, LaJoy, David Law, Kathleen Law, Lemmons, Jr., Lipsey, Mayes, McDowell, Meyer, Moore, Mortimer, Murphy, Newell, Nitz, Palmer, Plakas, Polidori, Proos, Sak, Shaffer, Sheltrown, Alma Smith, Spade, Stahl, Stakoe, Tobocman, Vagnozzi, Vander Veen, Walker, Waters, Zelenko and Gleason offered the following resolution:

House Resolution No. 293.

A resolution congratulating the Lakeview High School Baseball Team on their Division II State Championship.

Whereas, It is a pleasure to join with the families, the entire school, all of Lakeview, and the state of Michigan in celebrating the achievements of the Lakeview baseball team on its wonderful success over the season. With the fine record this squad attained, which has culminated in a Division II State Championship, this group of disciplined student-athletes has generated great pride throughout the state; and

Whereas, Much to the delight of their loyal fans, the Spartans have earned the respect of prep sports followers throughout Michigan with their talent, teamwork, and determination. As opponents have found out all season long, this is a team that brings unity and a positive outlook to all levels of competition. In the face of challenge and pressure, this is a group of young people who maintain their focus on making their dreams come true and accepting nothing less than their best effort; and

Whereas, This team has received numerous individual accolades. This includes seven players being named to the *Battle Creek Enquirer* All-City Team, and Head Coach Jeff Sovern being honored with the *Enquirer* Coach of the Year Award. This team was successful because of its selflessness and its ability to work together towards their goals; and

Whereas, Winning titles or compiling outstanding seasons is never a matter of chance. While anything can happen in a single game, all teams show their true abilities and dedication over a long season. What distinguishes the best, however, is the effort that appears in practice, far removed from the excitement of game day. We admire the efforts, team spirit, and preparation of these talented young people; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislative body congratulate the Lakeview High School Baseball Team on their Division II State Championship.

Pending the reference of the resolution to a committee,

Rep. Ward moved that Rule 77 be suspended and the resolution be considered at this time.

The motion prevailed, 3/5 of the members present voting therefor.

The question being on the adoption of the resolution,

The resolution was adopted.

Reps. Nofs, Accavitti, Adamini, Anderson, Ball, Bieda, Booher, Brandenburg, Brown, Byrum, Casperson, Caul, Clack, Condino, Espinoza, Farrah, Garfield, Gillard, Gonzales, Green, Hansen, Hildenbrand, Hopgood, Jones, Kolb, LaJoy, David Law, Kathleen Law, Lemmons, Jr., Lipsey, Mayes, McDowell, Meyer, Moore, Mortimer, Murphy, Newell, Nitz, Palmer, Plakas, Polidori, Proos, Sak, Shaffer, Sheltrown, Alma Smith, Spade, Stahl, Stakoe, Tobocman, Vagnozzi, Vander Veen, Walker, Waters, Zelenko and Gleason offered the following resolution:

House Resolution No. 294.

A resolution congratulating the Homer High School Baseball Team on their Division IV State Championship.

Whereas, It is a pleasure to join with the families, the entire school, all of Homer, and the state of Michigan in celebrating the achievements of the Homer baseball team on its wonderful success over the season. With the fine record this squad attained, which has culminated in a Division IV State Championship, this group of disciplined student-athletes has generated great pride throughout the state; and

Whereas, Much to the delight of their loyal fans, the Trojans have earned the respect of prep sports followers throughout Michigan with their talent, teamwork, and determination. As opponents have found out all season long, this is a team that brings unity and a positive outlook to all levels of competition. In the face of challenge and pressure, this is a group of young people who maintain their focus on making their dreams come true and accepting nothing less than their best effort; and

Whereas, This team has received numerous individual accolades. This includes catcher Dale Cornstubble and pitcher Dan Holcomb being named Michigan's co-Mr. Baseball, and Head Coach Scott Salow receiving the *Detroit Free Press* Prep Person of the Year Award. This team was successful because of its selflessness and its ability to work together towards their goals; and

Whereas, Winning titles or compiling outstanding seasons is never a matter of chance. While anything can happen in a single game, all teams show their true abilities and dedication over a long season. What distinguishes the best, however, is the effort that appears in practice, far removed from the excitement of game day. We admire the efforts, team spirit, and preparation of these talented young people; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislative body congratulate the Homer High School Baseball Team on their Division IV State Championship.

Pending the reference of the resolution to a committee,

Rep. Ward moved that Rule 77 be suspended and the resolution be considered at this time.

The motion prevailed, 3/5 of the members present voting therefor.

The question being on the adoption of the resolution,

The resolution was adopted.

Reps. Schuitmaker, Shaffer, Proos and Nitz offered the following resolution:

House Resolution No. 295.

A resolution to urge the Michigan Department of Agriculture to provide indemnification to producers who need to destroy crops and to increase inspections of products from Ontario in order to prevent the spread of downy mildew.

Whereas, Agriculture is the second largest industry in Michigan. Michigan's agriculture and food industry generates billions of dollars in economic activity annually and employs more than 727,000 people; and

Whereas, Michigan is the number one producer of pickling cucumbers in the country and a leading producer of fresh cucumbers, squash, and pumpkins. In 2004, the value of these crops was nearly $95 million; and

Whereas, Downy mildew is a serious plant disease infecting cucumbers, squash, pumpkins, and melons. In 2005, Michigan lost 40 percent of its pickling cucumber crop to downy mildew. Statewide costs to prevent downy mildew from infecting healthy crops can exceed $5 million for Michigan's growers of pickling cucumbers alone; and

Whereas, There are current outbreaks of downy mildew in southeast Michigan, Ohio, Indiana, and Ontario. Ontario has experienced a particularly severe outbreak. Infected products imported from Ontario could spread downy mildew to other regions of Michigan; and

Whereas, One strategy to prevent the spread of downy mildew is to till up infected crops and spray fields with fungicide. A single infected field can release thousands of fungal spores into the wind, potentially infecting other Michigan farms as well as farms in Ohio, Illinois, Indiana, and Ontario. However, farmers may be reluctant to take timely action for the good of the entire farming industry at a significant individual loss; now, therefore, be it

Resolved by the House of Representatives, That we urge the Michigan Department of Agriculture to provide indemnification to producers who need to destroy crops and to increase inspections of products from Ontario in order to prevent the spread of downy mildew; and be it further

Resolved, That copies of this resolution be transmitted to the governor, director of the Michigan Department of Agriculture, and the Michigan Commission of Agriculture.

The resolution was referred to the Committee on Agriculture.

Reports of Select Committees

House Bill No. 5796, entitled

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, capital outlay, the judicial branch, and the legislative branch for the fiscal years ending September 30, 2006 and September 30, 2007; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

(For text of conference report, see today's Journal, p. 1936.)

The Senate has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

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

Reports of Standing Committees

The Committee on Agriculture, by Rep. Nitz, Chair, reported

House Bill No. 5033, entitled

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 9 (MCL 211.9), as amended by 2003 PA 140.

With the recommendation that the substitute (H-8) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Nitz, Ball, Newell, Casperson, Stahl, Proos, Hune, Mayes, Spade and Sheltrown

Nays: None

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Nitz, Chair, of the Committee on Agriculture, was received and read:

Meeting held on: Wednesday, July 26, 2006

Present: Reps. Nitz, Ball, Newell, Casperson, Stahl, Proos, Hune, Mayes, Spade and Sheltrown

Absent: Rep. Kathleen Law

Excused: Rep. Kathleen Law

Announcement by the Clerk of Printing and Enrollment

The Clerk announced that the following bills had been printed and placed upon the files of the members on Wednesday, July 12:

House Bill Nos. 6306 6307 6308 6309 6310

The Clerk announced that the following Senate bills had been received on Wednesday, July 26:

Senate Bill Nos. 48 1130

Messages from the Governor

The following message from the Governor was received July 26, 2006 and read:

EXECUTIVE ORDER
No. 2006 – 16

DEPARTMENT OF ENVIRONMENTAL QUALITY
DEPARTMENT OF LABOR AND ECONOMIC GROWTH

EXECUTIVE REORGANIZATION

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the State of Michigan in the Governor;

WHEREAS, Section 2 of Article V of the Michigan Constitution of 1963 empowers the Governor to make changes in the organization of the Executive Branch or in the assignment of functions among its units that the Governor considers necessary for efficient administration;

WHEREAS, many of the functions related to the regulation of mobile home parks and seasonal mobile home parks currently performed by the Department of Environmental Quality can more efficiently and effectively be performed by the Department of Labor and Economic Growth;

WHEREAS, there is a continuing need to reorganize functions amongst state departments to ensure efficient administration and effectiveness of government;

NOW, THEREFORE, I, Jennifer M. Granholm, Governor of the State of Michigan, by virtue of the power and authority vested in the Governor by the Michigan Constitution of 1963 and Michigan law order:

I. DEFINITIONS

As used in this Order:

A. "Department of Environmental Quality" means the principal department of state government created under Executive Order 1995-18, MCL 324.99903.

B. "Department of Labor and Economic Growth" means the principal department of state government created as the Department of Commerce under Section 225 of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.325, renamed the Department of Consumer and Industry Services under Executive Order 1996-2, MCL 445.2001, and renamed the Department of Labor and Economic Growth under Executive Order 2003-18, MCL 445.2011.

C. "State Budget Director" means the Director of the State Budget Office created under Section 321 of the Management and Budget Act, 1984 PA 431, MCL 18.1321.

D. "Type II Transfer" means that type of transfer as defined in Section 3(b) of the Executive Organization Act of 1965, 1965 PA 380, MCL 16.103(b).

II. TRANSFER OF AUTHORITY

A. Except as provided in Section II.B, all of the following authority, powers, duties, functions, and responsibilities of the Department of Environmental Quality under The Mobile Home Commission Act, 1987 PA 96, MCL 125.2301 to 125.2350, previously transferred from the Department of Public Health to the Department of Environmental Quality under Executive Order 1996-1, MCL 330.3101, are transferred by Type II Transfer from the Department of Environmental Quality to the Department of Labor and Economic Growth:

1. Promulgating rules and setting forth minimum standards regulating all of the following under Subdivisions 1(c) to 1(g) of Section 6 of The Mobile Home Commission Act, 1987 PA 96, MCL 125.2306:

a. Drainage.

b. Garbage and rubbish storage and disposal.

c. Insect and rodent control.

d. General operation, maintenance, and safety.

e. Certification of compliance.

2. Coordinating approvals by state and local governments of preliminary plans to develop a mobile home park or a seasonal mobile home park under Section 11 of The Mobile Home Commission Act, 1987 PA 96, MCL 125.2311.

3. Conducting annual physical inspections of mobile home parks and seasonal mobile home parks and granting certificates of compliance under Section 17 of The Mobile Home Commission Act, 1987 PA 96, MCL 125.2317, in accordance with standards established by the Department regulating all of the following under Subdivisions 1(c) to 1(g) of Section 6 of The Mobile Home Commission Act, 1987 PA 96, MCL 125.2306:

a. Drainage.

b. Garbage and rubbish storage and disposal.

c. Insect and rodent control.

d. General operation, maintenance, and safety.

e. Certification of compliance.

4. All other authority, powers, duties, functions, and responsibilities vested in the Department of Environmental Quality under The Mobile Home Commission Act, 1987 PA 96, MCL 125.2301 to 125.2350, previously transferred from the Department of Public Health to the Department of Environmental Quality under Executive Order 1996-1, except as provided under Section II.B of this Order.

B. All of the following authority, powers, duties, functions, and responsibilities are retained by the Department of Environmental Quality and are not transferred to the Department of Labor and Economic Growth:

1. Promulgating rules and setting forth minimum standards regulating all of the following under Subdivisions 1(a) to 1(b) of Section 6 of The Mobile Home Commission Act, 1987 PA 96, MCL 125.2306:

a. Water supply systems.

b. Sewage collection and disposal systems.

2. Conducting annual physical inspections of mobile home parks and seasonal mobile home parks and granting certificates of compliance under Section 17 of The Mobile Home Commission Act, 1987 PA 96, MCL 125.2317, in accordance with standards established by the Department regulating all of the following under Subdivisions 1(a) to 1(b) of Section 6 of The Mobile Home Commission Act, 1987 PA 96, MCL 125.2306:

a. Water supply systems.

b. Sewage collection and disposal systems.

III. IMPLEMENTATION OF TRANSFERS

A. The Director of the Department of Labor and Economic Growth shall provide executive direction and supervision for the implementation of all transfers of functions under this Order and shall make internal organizational changes as necessary to complete the transfers under this Order.

B. The functions transferred under this Order shall be administered by the Director of the Department of Labor and Economic Growth in such ways as to promote efficient administration.

C. All rule-making, licensing, and registration functions related to the functions transferred under this Order, including, but not limited to, the prescription of rules, regulations, standards, and adjudications, under the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.201 to 24.328, are transferred to the Director of the Department of Labor and Economic Growth.

D. The Director of the Department of Labor and Economic Growth may delegate within the Department of Labor and Economic Growth a duty or power conferred on the Director of the Department of Labor and Economic Growth by this Order or by other law or order, and the individual to whom the duty or power is delegated may perform the duty or exercise the power at the time and to the extent that the power is delegated by the Director of the Department of Labor and Economic Growth.

E. All records, property, and unexpended balances of appropriations, allocations, and other funds used, held, employed, available, or to be made available to the Department of Environmental Quality for the activities, powers, duties, functions, and responsibilities transferred under this Order are transferred to the Department of Labor and Economic Growth.

F. No personnel shall be transferred under this Order.

G. The State Budget Director shall determine and authorize the most efficient manner possible for handling financial transactions and records in the state's financial management system for Fiscal Year 2006-2007.

IV. MISCELLANEOUS

A. All rules, orders, contracts, and agreements relating to the functions transferred under this Order lawfully adopted prior to the effective date of this Order shall continue to be effective until revised, amended, repealed, or rescinded.

B. Any suit, action, or other proceeding lawfully commenced by, against, or before any entity affected under this Order, shall not abate by reason of the taking effect of this Order. Any suit, action, or other proceeding may be maintained by, against, or before the appropriate successor of any entity affected under this Order.

C. The invalidity of any portion of this Order shall not affect the validity of the remainder of the Order, which may be given effect without any invalid portion. Any portion of this Order found invalid by a court or other entity with proper jurisdiction shall be severable from the remaining portions of this Order.

In fulfillment of the requirements under Section 2 of Article V of the Michigan Constitution of 1963, the provisions of this Order are effective October 1, 2006 at 12:01 a.m.

[SEAL]

Given under my hand and the Great Seal of the State of Michigan this 26th day of July, in the year of our Lord, two thousand and six.

Jennifer M. Granholm
Governor
By the Governor:
Terri L. Land
Secretary of State

The message was referred to the Clerk.

Introduction of Bills

Rep. Lemmons, III introduced

House Bill No. 6311, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 625 (MCL 257.625), as amended by 2004 PA 62.

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

Reps. Lemmons, III and Lemmons, Jr. introduced

House Bill No. 6312, entitled

A bill to amend 1953 PA 232, entitled "Corrections code of 1953," (MCL 791.201 to 791.283) by adding section 69b.

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

Rep. Ward introduced

House Joint Resolution Z, entitled

A joint resolution proposing an amendment to the state constitution of 1963, by amending section 2 of article XII, to provide that a constitutional amendment proposed by petition be approved by a majority of electors at two successive general elections before becoming part of the constitution.

The joint resolution was read a first time by its title and referred to the Committee on House Oversight, Elections, and Ethics.

By unanimous consent the House returned to the order of

Messages from the Senate

House Bill No. 5800, entitled

A bill to amend 1953 PA 232, entitled "Corrections code of 1953," (MCL 791.201 to 791.283) by adding section 20i.

The Senate has substituted (S-1) the bill.

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

The Speaker announced that pursuant to Rule 45, the bill was laid over one day.

Rep. Ward moved that House Committees be given leave to meet during the balance of today's session.

The motion prevailed.

By unanimous consent the House returned to the order of

Motions and Resolutions

Rep. Ward moved that when the House adjourns today it stand adjourned until Wednesday, August 2, at 10:00 a.m.

The motion prevailed.

Rep. Ward moved that when the House adjourns Wednesday, August 2 it stand adjourned until Wednesday, August 9, at 10:00 a.m.

The motion prevailed.

Rep. Ward moved that when the House adjourns Wednesday, August 9 it stand adjourned until Wednesday, August 16, at 10:00 a.m.

The motion prevailed.

Rep. Ward moved that when the House adjourns Wednesday, August 16 it stand adjourned until Wednesday, August 23, at 10:00 a.m.

The motion prevailed.

Rep. Ward moved that when the House adjourns Wednesday, August 23 it stand adjourned until Tuesday, August 29, at 10:00 a.m.

The motion prevailed.

Rep. Ward moved that when the House adjourns Tuesday, August 29 it stand adjourned until Wednesday, August 30, at 10:00 a.m.

The motion prevailed.

Rep. Ward moved that when the House adjourns Wednesday, August 30 it stand adjourned until Thursday, August 31, at 10:00 a.m.

The motion prevailed.

Rep. Ward moved that when the House adjourns Thursday, August 31 it stand adjourned until Tuesday, September 5, at 1:00 p.m.

The motion prevailed.

Messages from the Senate

Senate Bill No. 48, entitled

A bill to amend 1964 PA 183, entitled "An act creating the state building authority with power to acquire, construct, furnish, equip, own, improve, enlarge, operate, mortgage, and maintain facilities for the use of the state or any of its agencies; to act as a developer or co-owner of facilities as a condominium project for the use of the state or any of its agencies; to authorize the execution of leases pertaining to those facilities by the building authority with the state or any of its agencies; to authorize the payment of true rentals by the state; to provide for the issuance of revenue obligations by the building authority to be paid from the true rentals to be paid by the state and other resources and security provided for and pledged by the building authority; to authorize the creation of funds; to authorize the conveyance of lands by the state or any of its agencies for the purposes authorized in this act; to authorize the appointment of a trustee for bondholders; to permit remedies for the benefit of parties in interest; to provide for other powers and duties of the authority; and to provide for other matters in relation to the authority and its obligations," by amending section 7 (MCL 830.417), as amended by 2005 PA 67.

The Senate has passed the bill.

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

Senate Bill No. 1130, entitled

A bill to amend 1945 PA 78, entitled "An act to declare the area of the state of Michigan," by amending the title and sections 1 and 2 (MCL 2.1 and 2.2).

The Senate has passed the bill.

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

Rep. LaJoy moved that the House adjourn.

The motion prevailed, the time being 4:10 p.m.

The Speaker Pro Tempore declared the House adjourned until Wednesday, August 2, at 10:00 a.m.

GARY L. RANDALL
Clerk of the House of Representatives