

No. 57
JOURNAL OF THE SENATE

Senate Chamber, Lansing, Tuesday, June 20, 2000.

10:00 a.m.

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

The roll was called by the Secretary of the Senate, who announced that a quorum was not present.

Bennett—present
Bullard—present
Byrum—present
Cherry—present
DeBeaussaert—present
DeGrow—present
Dingell—present
Dunaskiss—present
Emerson—present
Emmons—present
Gast—present
Goschka—present
Gougeon—present

Hammerstrom—present
Hart—present
Hoffman—present
Jaye—present
Johnson—present
Koivisto—present
Leland—present
McCotter—present
McManus—present
Miller—present
Murphy—present
North—present
Peters—present

Rogers—present
Schuette—present
Schwarz—present
Shugars—present
Sikkema—present
A. Smith—present
V. Smith—present
Steil—present
Stille—present
Van Regenmorter—present
Vaughn—present
Young—present

Senator George A. McManus, Jr., of the 36th District offered the following invocation:
 “What is so rare as a day in June, than if only we have perfect days.” - Joyce Kilmer

Then if we take a look outside today, with the lush green fields, adequate rainfall, and beautiful crops growing, we learn to appreciate the beauty of some power that’s far greater than ours. That power is everlasting to everlasting, and our job as mortals is to work with one another in peace and harmony. The plan of nature is to take advantage of what God has given us and pass it on to our children and our grandchildren. Our position as legislators is one of justice; one of making sure that everyone has an opportunity in this country to get ahead and to grow, have an education, and contribute to our great land. Amen.

Motions and Communications

The following communications were received and read:
 Office of the Senate Majority Leader

June 8, 2000

Pursuant to Senate Rule 1.105, I hereby appoint the following members to the conference committee on Senate Bill 694:

Senator Schuette (Chair)
 Senator DeGrow
 Senator Murphy

June 9, 2000

Pursuant to Senate Rule 1.105, I hereby appoint the following members to conference committees:

SB 964 Senator Gougeon (Chair)
 Senator Schwarz
 Senator Emerson

SB 968 Senator Gast (Chair)
 Senator McManus
 Senator A. Smith

June 13, 2000

Pursuant to Senate Rule 1.105, I hereby appoint the following members to the second conference committee on House Bill 5275:

Senator Bennett
 Senator Stille
 Senator Young

Sincerely,
 Dan L. DeGrow
 Senate Majority Leader

The communications were referred to the Secretary for record.

Recess

Senator Rogers moved that the Senate recess subject to the call of the President.
 The motion prevailed, the time being 10:05 a.m.

11:21 a.m.

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

During the recess, Senators Emerson, Jaye, Dunaskiss, North, Emmons, Hoffman, Gast, Steil, Goschka, Shugars, McCotter, Gougeon, Murphy, Sikkema, Bullard, Schuette, Van Regenmorter, Hammerstrom, Stille, McManus, Johnson, Bennett and DeGrow entered the Senate Chamber.

A quorum of the Senate was present.

Messages from the Governor

The following messages from the Governor were received:

Date: June 9, 2000

Time: 2:45 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 1135 (Public Act No. 151), 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 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 section 234 (MCL 257.234), as amended by 1987 PA 238.

(Filed with the Secretary of State on June 12, 2000, at 3:45 p.m.)

Date: June 9, 2000

Time: 4:00 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 585 (Public Act No. 153), being

An act to amend 1937 PA 94, entitled “An act to provide for the levy, assessment and collection of a specific excise tax on the storage, use or consumption in this state of tangible personal property and certain services; to appropriate the proceeds thereof; and to prescribe penalties for violations of the provisions of this act,” (MCL 205.91 to 205.111) by adding section 11.

(Filed with the Secretary of State on June 12, 2000, at 3:49 p.m.)

Date: June 14, 2000

Time: 12:50 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 940 (Public Act No. 155), being

An act to amend 1951 PA 35, entitled “An act to authorize intergovernmental contracts between municipal corporations; to authorize any municipal corporation to contract with any person or any municipal corporation to furnish any lawful municipal service to property outside the corporate limits of the first municipal corporation for a consideration; to prescribe certain penalties; to authorize contracts between municipal corporations and with certain nonprofit public transportation corporations to form group self-insurance pools; and to prescribe conditions for the performance of those contracts,” by amending section 3 (MCL 124.3).

(Filed with the Secretary of State on June 14, 2000, at 3:22 p.m.)

Date: June 14, 2000

Time: 12:52 p.m.

To the President of the Senate:

Sir—I have this day approved and signed

Enrolled Senate Bill No. 941 (Public Act No. 156), being

An act to amend 1909 PA 279, entitled “An act to provide for the incorporation of cities and for revising and amending their charters; to provide for certain powers and duties; to provide for the levy and collection of taxes by cities, borrowing of money, and issuance of bonds or other evidences of indebtedness; to validate actions taken, bonds

issued, and obligations heretofore incurred; to prescribe penalties and provide remedies; and to repeal acts and parts of acts on specific dates," by amending section 4f (MCL 117.4f).

(Filed with the Secretary of State on June 14, 2000, at 3:24 p.m.)

Respectfully,
John Engler
Governor

The following messages from the Governor were received and read:

June 8, 2000

There are herewith presented for consideration and confirmation by the Senate, the following appointment and reappointment to office:

State Board of Accountancy

Ms. Lola Anna Peterson, 3513 McCain Road, Jackson, MI 49203, county of Jackson, as a member representing the general public, succeeding herself, for a term expiring on June 30, 2004.

Mr. Alan C. Young, 4253 Old Dominion Drive, West Bloomfield, MI 48323, county of Oakland, as a member representing certified public accountants, succeeding Mr. Jerome Kohel of Richland, whose term has expired, for a term expiring on June 30, 2004.

June 14, 2000

There are herewith presented for consideration and confirmation by the Senate, the following appointment and reappointment to office:

Collection Practices Advisory Board

Mr. Dwight D. Stewart, 8200 E. Jefferson, Apt. 1402, Detroit, MI 48214, county of Wayne, as a member representing the general public, succeeding himself, for a term expiring on June 30, 2004.

Mr. Peter A. Vogelsberg, 8799 Martz Road, Ypsilanti, MI 48197, county of Washtenaw, as a member representing professionals, succeeding Mr. Donald L. Joslin of Flint, whose term has expired, for a term expiring on June 30, 2004.

Sincerely,
John Engler
Governor

The appointments were referred to the Committee on Government Operations.

Messages from the House

Senate Bill No. 968, entitled

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2000; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

The House of Representatives has appointed Reps. Geiger, Jellema and Price as conferees to join with Senators Gast, McManus and A. Smith.

The bill was referred to the Conference Committee on June 9, 2000.

Senator Miller asked and was granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Miller's first statement is as follows:

This morning I introduced a resolution calling upon Congress to investigate the high gas prices here in Michigan. I wanted to get the approval of the leadership on the other side, but unfortunately, they were in caucus. So I would call on my member colleagues in hope that they would co-sponsor this resolution because we know too much here in Michigan has been made of the gas prices. Prices have jumped through the ceiling.

All I'm asking the leadership is to take a look at the resolution that I introduced. I hope that members would see fit to sign on. I introduced it not only for all the drivers across Michigan, but especially those in my district who have these horrendous prices and to see that many people were temporarily put out of work because their stations had to close because of the gas shortage. I hope that they'll call on Congress, and take a look at the resolution.

Senator Miller’s second statement is as follows:

Just to clarify, I could have made a much more detailed statement. I made the announcement that I introduced a resolution, and I invite members to come forward to the clerk’s desk and sign the resolution.

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

Senator Gast submitted the following:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning
Senate Bill No. 968, entitled

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2000; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

Recommends:

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

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

A bill to make, supplement, and adjust appropriations for various state departments and agencies, the legislative branch, and the judicial branch for the fiscal year ending September 30, 2000; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:
 PART 1**

LINE-ITEM APPROPRIATIONS FOR FISCAL YEAR 1999-2000

Sec. 101. SUMMARY

The amounts listed in this part are appropriated for the various state departments and agencies, subject to the conditions set forth in this act, for the fiscal year ending September 30, 2000, from the funds identified in this part. The following is a summary of the appropriations in this part:

SUMMARY

Full-time equated classified positions	20.0		
GROSS APPROPRIATION		\$	613,935,000
Total interdepartmental grants and intradepartmental transfers		\$	1,149,000
ADJUSTED GROSS APPROPRIATION		\$	612,786,000
Total federal revenues			134,271,800
Total local revenues			2,000,000
Total private revenues			0
Total other state restricted revenues			83,129,900
State general fund/general purpose		\$	393,384,300

Sec. 102. DEPARTMENT OF AGRICULTURE

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION		\$	23,057,300
ADJUSTED GROSS APPROPRIATION		\$	23,057,300
Total other state restricted revenues			6,307,300
State general fund/general purpose		\$	16,750,000

(2) ANIMAL INDUSTRY

Bovine tuberculosis program.....		\$	14,500,000
GROSS APPROPRIATION		\$	14,500,000

Appropriated from:

State general fund/general purpose		\$	14,500,000
--	--	----	------------

(3) MARKET DEVELOPMENT

Food bank		\$	250,000
Agriculture development initiatives.....			5,000,000
GROSS APPROPRIATION		\$	5,250,000

Appropriated from:

Uncollected allowance recovery fund.....			5,000,000
State general fund/general purpose		\$	250,000

(4) FAIRS AND EXPOSITIONS

Purses and supplements - fairs/licensed tracks		\$	391,700
--	--	----	---------

	For Fiscal Year Ending Sept. 30, 2000
Standardbred Fedele Fauri futurity.....	\$ 18,600
Standardbred Michigan futurity	18,600
Licensed tracks - light horse racing	5,600
Standardbred breeders' awards	107,700
Sire stakes program.....	93,400
Standardbred training and stabling.....	(700)
Thoroughbred program	49,800
Thoroughbred owners' awards.....	(2,400)
GROSS APPROPRIATION	\$ 682,300
Appropriated from:	
Agriculture equine industry development fund.....	682,300
State general fund/general purpose	\$ 0
(5) OFFICE OF RACING COMMISSIONER	
Office of racing commissioner	\$ 425,000
Regulatory enhancements.....	150,000
Race horse drug testing - fairs	50,000
GROSS APPROPRIATION	\$ 625,000
Appropriated from:	
Special revenue funds:	
Agriculture equine industry development fund.....	625,000
State general fund/general purpose	\$ 0
(6) FOOD AND DAIRY	
Food safety and quality assurance.....	\$ 2,000,000
GROSS APPROPRIATION	\$ 2,000,000
Appropriated from:	
State general fund/general purpose	\$ 2,000,000
Sec. 103. CAPITAL OUTLAY	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 167,816,900
ADJUSTED GROSS APPROPRIATION	\$ 167,816,900
Total other state restricted revenues	30,651,400
State general fund/general purpose	\$ 137,165,500
(2) HIGHER EDUCATION	
Universities - infrastructure, technology, equipment, and maintenance	\$ 44,989,800
Community colleges - infrastructure, technology, equipment, and maintenance.....	8,798,800
General degree reimbursement program - infrastructure, technology, equipment, and maintenance	2,213,000
GROSS APPROPRIATION	\$ 56,001,600
Appropriated from:	
State general fund/general purpose	\$ 56,001,600
(3) DEPARTMENT OF MANAGEMENT AND BUDGET	
Detroit zoological park	\$ 10,000,000
Department of attorney general - law building remodeling	1,600,000
Department of corrections - consolidate intake unit project.....	5,000,000
Department of management and budget - building demolitions.....	5,000,000
Kalamazoo aviation history museum.....	3,000,000
Southwestern Michigan innovations center	5,000,000
Public broadcasting digital television and radio conversion	15,854,800
Department of state police - Niles state police post/public safety complex.....	6,500,000
Department of state-iron ore museum	500,000
GROSS APPROPRIATION	\$ 52,454,800
Appropriated from:	
State general fund/general purpose	\$ 52,454,800
(4) DEPARTMENT OF NATURAL RESOURCES WATERWAYS BOATING PROGRAM	
Emergency local harbor dredging.....	\$ 10,000,000
Boating program, state harbors:	
Emergency harbor dredging	4,000,000

	For Fiscal Year Ending Sept. 30, 2000
Boating harbor projects, grants-in-aid:	
City of Detroit, Wayne County, St. Aubin marina	\$ 3,000,000
GROSS APPROPRIATION	\$ 17,000,000
Appropriated from:	
Special revenue funds:	
State waterways fund	17,000,000
State general fund/general purpose	\$ 0
(5) MICHIGAN NATURAL RESOURCES TRUST FUND	
Natural resources trust fund projects.....	13,651,400
GROSS APPROPRIATION	\$ 13,651,400
Appropriated from:	
Special revenue funds:	
Michigan natural resources trust fund	13,651,400
State general fund/general purpose	\$ 0
Michigan natural resources trust fund acquisition projects (by priority):	
Cheboygan-Gaylord trail - phase 6, Cheboygan County (#99-442)	
Dr. T.K. Lawless park north, Cass County (grant-in-aid to Cass County) (#99-226)	
Park Lyndon expansion, Washtenaw County (grant-in-aid to Washtenaw County) (#99-323)	
Harvey property purchase, Muskegon County (grant-in-aid to Montague Township) (#99-210)	
Frost property, Grand Traverse County (#99-294)	
Oscoda riverwalk park, Iosco County (grant-in-aid to Oscoda Township) (#99-129)	
Escanaba riverfront property acquisition, Delta County (grant-in-aid to City of Escanaba) (#99-384)	
Oakland Township park acquisition, Oakland County (grant-in-aid to Oakland Township) (#99-128)	
Carpenter lake acquisition, Oakland County (grant-in-aid to City of Southfield) (#99-272)	
Jabara property, Antrim County (grant-in-aid to Antrim County) (#99-436)	
Southside park land purchase, Calhoun County (grant-in-aid to City of Battle Creek) (#99-187)	
Marquette-Munising rail-trail, Marquette County (#99-290)	
Markin Glen river access/Kalamazoo river valley trailway, Kalamazoo County (grant-in-aid to Kalamazoo Township) (#99-082)	
Arcadia south beach, Manistee County (grant-in-aid to Arcadia Township) (#99-127)	
Eagle Harbor Township nature conservatory, Keweenaw County (grant-in-aid to Eagle Harbor Township) (#99-267)	
State wildlife area lump sum, various counties (#99-444)	
All wildlife, game and mini game areas in the Saginaw Bay management unit, Arenac County, Bay County, Clare County, Gladwin County, Huron County, Isabella County, Midland County, Saginaw County, Sanilac County, and Tuscola County	
All wildlife, game and mini game areas in the South central management unit, Clinton County, Eaton County, Gratiot County, Hillsdale County, Ingham County, Ionia County, Jackson County, Lenawee County, Livingston County, Montcalm County, Shiawassee County, and Washtenaw County	
All wildlife, game and mini game areas in the Southeastern management unit, Genesee County, Lapeer County, Macomb County, Monroe County, Oakland County, St. Clair County, and Wayne County	
All wildlife, game and mini game areas in the Southwestern management unit, Allegan County, Barry County, Berrien County, Branch County, Calhoun County, Cass County, Kalamazoo County, Kent County, Muskegon County, Ottawa County, St. Joseph County, and Van Buren County	
All wildlife, game and mini game areas in the Northwestern management unit - southern portion, Mason County, Mecosta County, Newaygo County, and Oceana County	
Michigan natural resources trust fund development projects (by priority):	
Ott preserve improvements, Calhoun County (grant-in-aid to Calhoun County) (#99-193)	
Betsie valley trail, Benzie County (grant-in-aid to Benzie County) (#99-401)	

For Fiscal Year
Ending Sept. 30,
2000

- Lakefront park improvements, Calhoun County (grant-in-aid to Village of Homer) (#99-070)
- Trenton linked riverfront parks improvements, Wayne County (grant-in-aid to City of Trenton) (#99-184)
- Curtiss park improvements, Washtenaw County (grant-in-aid to City of Saline) (#99-016)
- Riverfront park dock and pier, Berrien County (grant-in-aid to City of Niles) (#99-145)
- Harbor breakwall walkway extension, Alpena County (grant-in-aid to City of Alpena) (#99-353)
- Paint river walk, Iron County (grant-in-aid to City of Crystal Falls) (#99-266)
- County park revitalization, Luce County (grant-in-aid to Luce County) (#99-437)
- Boyne river walk project, Charlevoix County (grant-in-aid to City of Boyne City) (#99-180)
- Lillie park restoration/redevelopment, Washtenaw County (grant-in-aid to Pittsfield Township) (#99-196)
- Elberta historic waterfront trailhead park, Benzie County (grant-in-aid to Village of Elberta) (#99-014)
- Rockport picnic fishing pier, Alpena County (grant-in-aid to Alpena Township) (#99-262)
- Hull park waterfront, Grand Traverse County (grant-in-aid to City of Traverse City) (#99-160)
- Michigan beach park improvements, Charlevoix County (grant-in-aid to City of Charlevoix) (#99-250)

(6) STATE AGENCY, UNIVERSITY, AND COMMUNITY COLLEGE BUILDING PROJECTS

Eastern Michigan University - science buildings complex - for program and planning to be paid for from university revenues	\$	100
Ferris State University - engineering and technical center - for program and planning to be paid for from university revenues		100
Michigan Technological University - integrated learning/information center - for program and planning to be paid for from university revenues.....		100
Northern Michigan University - east campus facilities renovations - for program and planning to be paid for from university revenues		100
Kellogg Community College - west Michigan center/manufacturing research - for program and planning to be paid for from college revenues.....		100
Monroe Community College - performing arts and education building - for program and planning to be paid for from college revenues		100
Montcalm Community College - Greenville technology and learning center - for program and planning to be paid for from college revenues.....		100
St. Clair County Community College - general campus renovations - for program and planning to be paid for from college revenues		100
GROSS APPROPRIATION	\$	800
Appropriated from:		
State general fund/general purpose	\$	800

(7) STATE BUILDING AUTHORITY FINANCED CONSTRUCTION PROJECTS

Department of agriculture - animal health diagnostic laboratory - authorized for planning in 1999 PA 265 - for final design and construction (total authorized cost \$45,000,000; state building authority share \$44,999,900; state general fund share \$100).....	\$	100
Department of state police - public safety communications system - authorized for final design and construction under 1995 PA 128 (total authorized cost increased from \$205,857,200 to \$234,157,200; state building authority share remains \$184,426,000; state general fund share increased from \$21,431,200 to \$49,731,200)		28,300,000
Alpena Community College - concrete technology center - authorized for final design and construction under 1996 PA 321 (total authorized cost increased from \$6,720,000 to \$7,127,700; state building authority share remains \$3,359,900; Alpena Community College share remains \$3,360,000; state general fund share increased from \$100 to \$407,800).....		407,700
Central Michigan University - health professions building - authorized for planning in 1998 PA 515 - for final 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

For Fiscal Year
Ending Sept. 30,
2000

Grand Valley State University - health professions building - authorized for planning in 1999 PA 265 - for final design and construction (total authorized cost \$53,000,000; state building authority share \$37,099,800; Grand Valley State University share \$15,900,000; state general fund share \$200)	\$	100
Gogebic Community College - general campus renovations - authorized for planning in 1999 PA 265 - for final design and construction (total authorized \$1,400,000; state building authority share \$699,800; state lump sum planning account \$700,000; state general fund share \$200).....		100
Lake Superior State University - arts classroom building - authorized for planning in 1998 PA 538 - for final design and construction (total authorized cost \$15,300,000; state building authority share \$7,999,800; Lake Superior State University share \$7,300,000; state general fund share \$200).....		100
Wayne State University - welcome center - authorized for planning in 1998 PA 538 - for final design and construction (total authorized cost \$18,500,000; state building authority share \$13,874,800; Wayne State University share \$4,625,000; state general fund share \$200)		100
GROSS APPROPRIATION	\$	<u>28,708,300</u>
Appropriated from:		
State general fund/general purpose	\$	28,708,300
Sec. 104. DEPARTMENT OF CAREER DEVELOPMENT		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	\$	28,500,000
ADJUSTED GROSS APPROPRIATION	\$	28,500,000
Total federal revenues		8,000,000
State general fund/general purpose	\$	20,500,000
(2) DEPARTMENT GRANTS		
Community service alliance	\$	10,000,000
Focus: HOPE		10,500,000
Welfare-to-work programs		8,000,000
GROSS APPROPRIATION	\$	<u>28,500,000</u>
Appropriated from:		
Federal revenues:		
HHS, temporary assistance for needy families		8,000,000
State general fund/general purpose	\$	20,500,000
Sec. 105. DEPARTMENT OF CIVIL RIGHTS		
(1) APPROPRIATION SUMMARY		
Full-time equated classified positions		15.0
GROSS APPROPRIATION	\$	1,000,000
ADJUSTED GROSS APPROPRIATION	\$	1,000,000
Total federal revenues		(750,000)
State general fund/general purpose	\$	1,750,000
(2) CIVIL RIGHTS OPERATIONS		
Full-time equated classified positions		15.0
Civil rights operations—15.0 FTE positions		1,000,000
GROSS APPROPRIATION	\$	<u>1,000,000</u>
Appropriated from:		
Federal revenues:		
EEOC, state and local antidiscrimination agency contracts.....		(750,000)
State general fund/general purpose	\$	1,750,000
Sec. 106. DEPARTMENT OF CIVIL SERVICE		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	\$	1,200,000
ADJUSTED GROSS APPROPRIATION	\$	1,200,000
State general fund/general purpose	\$	1,200,000
(2) CIVIL SERVICE OPERATIONS		
Civil service operations.....	\$	1,200,000
GROSS APPROPRIATION	\$	<u>1,200,000</u>

	For Fiscal Year Ending Sept. 30, 2000
Appropriated from:	
State general fund/general purpose	\$ 1,200,000
Sec. 107. DEPARTMENT OF COMMUNITY HEALTH	
(1) APPROPRIATION SUMMARY	
Full-time equated classified positions2.0	
GROSS APPROPRIATION	\$ 17,204,300
ADJUSTED GROSS APPROPRIATION	\$ 17,204,300
Total federal revenues	10,855,300
Total local revenues	2,000,000
Total other state restricted revenues	500,000
State general fund/general purpose	\$ 3,849,000
(2) DEPARTMENTWIDE ADMINISTRATION	
Departmental administration and management	\$ 7,000,000
GROSS APPROPRIATION	\$ 7,000,000
Appropriated from:	
Federal revenues:	
Total federal revenues	5,250,000
State general fund/general purpose	\$ 1,750,000
(3) COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS	
Juvenile mental health services	\$ 4,455,300
GROSS APPROPRIATION	\$ 4,455,300
Appropriated from:	
Federal revenues:	
Total federal revenues	2,455,300
Special revenue funds:	
Local revenue.....	2,000,000
State general fund/general purpose	\$ 0
(4) LABORATORY SERVICES	
Full-time equated classified positions2.0	
Bovine tuberculosis programs—2.0 FTE positions.....	\$ 749,000
GROSS APPROPRIATION	\$ 749,000
Appropriated from:	
State general fund/general purpose	\$ 749,000
(5) CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION	
Morris J. Hood Wayne State University diabetes outreach program	\$ 500,000
Public health traffic safety coordination.....	300,000
GROSS APPROPRIATION	\$ 800,000
Appropriated from:	
Special revenue funds:	
Total other state restricted revenues	500,000
State general fund/general purpose	\$ 300,000
(6) MEDICAL SERVICES ADMINISTRATION	
Medical services administration	\$ 4,200,000
GROSS APPROPRIATION	\$ 4,200,000
Appropriated from:	
Federal revenues:	
Total federal revenues	3,150,000
State general fund/general purpose	\$ 1,050,000
Sec. 108. DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 3,000,000
ADJUSTED GROSS APPROPRIATION	\$ 3,000,000
State general fund/general purpose	\$ 3,000,000
(2) GRANTS	
Fire and emergency training center	\$ 1,000,000

	For Fiscal Year Ending Sept. 30, 2000
Regional EMS training center	\$ 2,000,000
GROSS APPROPRIATION	\$ 3,000,000
Appropriated from:	
State general fund/general purpose	\$ 3,000,000
Sec. 109. DEPARTMENT OF CORRECTIONS	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ (3,622,800)
ADJUSTED GROSS APPROPRIATION	\$ (3,622,800)
State general fund/general purpose	\$ (3,622,800)
(2) CORRECTIONAL FACILITIES - ADMINISTRATION	
Correctional facilities administration	\$ 1,377,200
GROSS APPROPRIATION	\$ 1,377,200
Appropriated from:	
State general fund/general purpose	\$ 1,377,200
(3) TRAINING, COMMUNITY SUPPORT AND SUBSTANCE ABUSE PROGRAMS	
New employee training	\$ (2,500,000)
GROSS APPROPRIATION	\$ (2,500,000)
Appropriated from:	
State general fund/general purpose	\$ (2,500,000)
(4) BARAGA MAXIMUM CORRECTIONAL FACILITY - BARAGA	
Personnel costs	\$ (700,000)
GROSS APPROPRIATION	\$ (700,000)
Appropriated from:	
State general fund/general purpose	\$ (700,000)
(5) COOPER STREET CORRECTIONAL FACILITY - JACKSON	
Personnel costs	\$ (1,100,000)
GROSS APPROPRIATION	\$ (1,100,000)
Appropriated from:	
State general fund/general purpose	\$ (1,100,000)
(6) MACOMB CORRECTIONAL FACILITY - NEW HAVEN	
Personnel costs	\$ (700,000)
GROSS APPROPRIATION	\$ (700,000)
Appropriated from:	
State general fund/general purpose	\$ (700,000)
Sec. 110. DEPARTMENT OF EDUCATION	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 3,700,000
ADJUSTED GROSS APPROPRIATION	\$ 3,700,000
Total federal revenues	990,000
Total other state restricted revenues	740,000
State general fund/general purpose	\$ 1,970,000
(2) STANDARDS, ASSESSMENT, AND ACCREDITATION	
Study of teacher preparation	\$ 240,000
GROSS APPROPRIATION	\$ 240,000
Appropriated from:	
Certification fees.....	240,000
State general fund/general purpose	\$ 0
(3) INNOVATION AND COMMUNITY SERVICES	
Innovation and community services operations	\$ 40,000
GROSS APPROPRIATION	\$ 40,000
Appropriated from:	
Federal revenues:	
Federal revenues	40,000
State general fund/general purpose	\$ 0
(4) GRANTS AND DISTRIBUTIONS	
FEDERAL PROGRAMS:	
Refugee children school impact grant	\$ 950,000

	For Fiscal Year Ending Sept. 30, 2000
STATE PROGRAMS:	
NAEP test incentive grants	\$ 220,000
Reading plan for Michigan	2,250,000
GROSS APPROPRIATION	\$ 3,420,000
Appropriated from:	
Federal revenues	950,000
Special revenue fund:	
Settlement revenues	500,000
State general fund/general purpose	\$ 1,970,000
Sec. 111. DEPARTMENT OF ENVIRONMENTAL QUALITY	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 350,000
ADJUSTED GROSS APPROPRIATION	\$ 350,000
Total other state restricted revenues	300,000
State general fund/general purpose	\$ 50,000
(2) FINANCE AND BUSINESS SERVICES	
Automated data processing	\$ 300,000
GROSS APPROPRIATION	\$ 300,000
Appropriated from:	
Federal revenues:	
EPA, multiple grants	300,000
State general fund/general purpose	\$ 0
(3) GRANTS	
Volunteer river, stream and creek cleanup program.....	\$ 50,000
GROSS APPROPRIATION	\$ 50,000
Appropriated from:	
State general fund/general purpose	\$ 50,000
Sec. 112. FAMILY INDEPENDENCE AGENCY	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 160,703,400
ADJUSTED GROSS APPROPRIATION	\$ 160,703,400
Total federal revenues	88,145,000
Total other state restricted revenues	(8,000,000)
State general fund/general purpose	\$ 80,558,400
(2) EXECUTIVE OPERATIONS	
End user support	\$ 15,000,000
GROSS APPROPRIATION	\$ 15,000,000
Appropriated from:	
Federal revenues:	
Total federal revenues	4,500,000
State general fund/general purpose	\$ 10,500,000
(3) CENTRAL SUPPORT ACCOUNTS	
Payroll taxes and fringe benefits	\$ 12,000,000
GROSS APPROPRIATION	\$ 12,000,000
Appropriated from:	
Federal revenues:	
Total federal revenues	12,000,000
Departmentwide lapse revenue.....	(8,000,000)
State general fund/general purpose	\$ 8,000,000
(4) FAMILY INDEPENDENCE SERVICES ADMINISTRATION	
Community services block grants	\$ 1,000,000
Family opportunity project.....	50,000,000
Teen pregnancy reduction project	20,000,000
GROSS APPROPRIATION	\$ 71,000,000
Appropriated from:	
Federal revenues:	
Total federal revenues	57,200,000
State general fund/general purpose	\$ 13,800,000

For Fiscal Year
Ending Sept. 30,
2000

(5) CHILD AND FAMILY SERVICES	
Domestic violence prevention and treatment.....	\$ 370,000
Family preservation and prevention services.....	3,000,000
Children’s trust fund.....	13,145,200
Attorney general contract.....	375,000
GROSS APPROPRIATION	\$ 16,890,200
Appropriated from:	
Federal revenues:	
Total federal revenues	(1,555,000)
State general fund/general purpose	\$ 18,445,200
(6) LOCAL OFFICE STAFF AND OPERATIONS	
Food stamp reinvestment.....	\$ 18,813,200
GROSS APPROPRIATION	\$ 18,813,200
Appropriated from:	
State general fund/general purpose	\$ 18,813,200
(7) PUBLIC ASSISTANCE	
Homestead property tax credit for low income families.....	\$ 27,000,000
GROSS APPROPRIATION	\$ 27,000,000
Appropriated from:	
Federal revenues:	
Total federal revenues	16,000,000
State general fund/general purpose	\$ 11,000,000
Sec. 113. HIGHER EDUCATION	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 11,200,000
ADJUSTED GROSS APPROPRIATION	\$ 11,200,000
Total other state restricted revenues	11,200,000
State general fund/general purpose	\$ 0
(2) MICHIGAN MERIT AWARDS	
Michigan merit awards.....	\$ 11,200,000
GROSS APPROPRIATION	\$ 11,200,000
Appropriated from:	
Michigan merit award trust fund.....	11,200,000
State general fund/general purpose	\$ 0
Sec. 114. JUDICIARY	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 4,200,000
ADJUSTED GROSS APPROPRIATION	\$ 4,200,000
Total other state restricted revenues	(200,000)
State general fund/general purpose	\$ 4,400,000
(2) SUPREME COURT	
Implementation of commercial motor vehicle legislation.....	\$ 1,650,000
GROSS APPROPRIATION	\$ 1,650,000
Appropriated from:	
Special fund revenues:	
Law exam fees	(200,000)
State general fund/general purpose	\$ 1,850,000
(3) TRIAL COURT OPERATIONS	
Trial court improvements.....	\$ 2,300,000
Trial court operations - 27th district court	250,000
GROSS APPROPRIATION	\$ 2,550,000
Appropriated from:	
State general fund/general purpose	\$ 2,550,000
Sec. 115. LEGISLATURE	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 1,400,000

	For Fiscal Year Ending Sept. 30, 2000
ADJUSTED GROSS APPROPRIATION	\$ 1,400,000
State general fund/general purpose	\$ 1,400,000
(2) LEGISLATURE	
House of representatives - census tracking/reapportionment	500,000
Senate - census tracking/reapportionment	500,000
GROSS APPROPRIATION	\$ 1,000,000
Appropriated from:	
State general fund/general purpose	\$ 1,000,000
(3) PROPERTY MANAGEMENT	
Capitol building	\$ 400,000
GROSS APPROPRIATION	\$ 400,000
Appropriated from:	
State general fund/general purpose	\$ 400,000
Sec. 116. DEPARTMENT OF MANAGEMENT AND BUDGET	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 37,150,000
ADJUSTED GROSS APPROPRIATION	\$ 37,150,000
Total other state restricted revenues	2,000,000
State general fund/general purpose	\$ 35,150,000
(2) GRANTS	
Art and cultural grants	\$ 11,100,000
Council of state governments annual meeting	350,000
GROSS APPROPRIATION	\$ 11,450,000
Appropriated from:	
State general fund/general purpose	\$ 11,450,000
(3) SPECIAL PROGRAMS	
e-Michigan	\$ 23,200,000
Electronic funds transfer and on-line vendor enrollment	2,000,000
Census and redistricting project	500,000
GROSS APPROPRIATION	\$ 25,700,000
Appropriated from:	
Special revenue funds:	
State restricted fund	2,000,000
State general fund/general purpose	\$ 23,700,000
Sec. 117. MICHIGAN STRATEGIC FUND	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 50,000,000
ADJUSTED GROSS APPROPRIATION	\$ 50,000,000
State general fund/general purpose	\$ 50,000,000
(2) MICHIGAN STRATEGIC FUND	
Michigan core communities fund	\$ 50,000,000
GROSS APPROPRIATION	\$ 50,000,000
Appropriated from:	
State general fund/general purpose	\$ 50,000,000
Sec. 118. DEPARTMENT OF MILITARY AFFAIRS	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 900,000
ADJUSTED GROSS APPROPRIATION	\$ 900,000
State general fund/general purpose	\$ 900,000
(2) GRANTS	
Vietnam veterans memorial	\$ 500,000
GROSS APPROPRIATION	\$ 500,000
Appropriated from:	
State general fund/general purpose	\$ 500,000
(3) GRAND RAPIDS VETERANS' HOME	
Grand Rapids veterans' home	\$ 400,000
GROSS APPROPRIATION	\$ 400,000

	For Fiscal Year Ending Sept. 30, 2000
Appropriated from:	
State general fund/general purpose	\$ 400,000
Sec. 119. DEPARTMENT OF NATURAL RESOURCES	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 46,594,700
Total interdepartmental grants and intradepartmental transfers	312,000
ADJUSTED GROSS APPROPRIATION	\$ 46,282,700
Total federal revenues	3,523,500
Total other state restricted revenues	16,509,200
State general fund/general purpose	\$ 26,250,000
(2) ADMINISTRATIVE SERVICES	
Finance and operations services	\$ 100,000
GROSS APPROPRIATION	\$ 100,000
Appropriated from:	
Special revenue funds:	
Michigan natural resources trust fund	100,000
State general fund/general purpose	\$ 0
(3) FISHERIES MANAGEMENT	
Fisheries resource management	\$ 960,000
Dober mine settlement project	312,000
Tribal fishing settlement	17,000,000
GROSS APPROPRIATION	\$ 18,272,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDEQ, environmental response fund	312,000
Special revenue funds:	
Game and fish protection fund	960,000
State general fund/general purpose	\$ 17,000,000
(4) PARKS AND RECREATION	
State parks	\$ 892,900
GROSS APPROPRIATION	\$ 892,900
Appropriated from:	
Special revenue funds:	
Off-road vehicle trail improvement fund	142,900
Park improvement fund	750,000
State general fund/general purpose	\$ 0
(5) FOREST RESOURCE MANAGEMENT	
Forest fire protection	\$ 850,000
GROSS APPROPRIATION	\$ 850,000
Appropriated from:	
State general fund/general purpose	\$ 850,000
(6) LAND AND MINERAL RESOURCES	
Farmland and open space preservation	\$ 18,000
Resource mapping and aerial photography	1,023,500
GROSS APPROPRIATION	\$ 1,041,500
Appropriated from:	
Federal revenues:	
DOI, federal revenues	1,023,500
Special revenue funds:	
Farmland and open space withdrawal fees	18,000
State general fund/general purpose	\$ 0
(7) LAW ENFORCEMENT	
General law enforcement	\$ 1,500,000
GROSS APPROPRIATION	\$ 1,500,000
Appropriated from:	
State general fund/general purpose	\$ 1,500,000

For Fiscal Year
Ending Sept. 30,
2000

(8) PAYMENTS IN LIEU OF TAXES	
Purchased land taxes/open space payments.....	\$ 100,000
GROSS APPROPRIATION	\$ 100,000
Appropriated from:	
Special revenue funds:	
Michigan natural resources trust fund	60,000
Game and fish protection fund	40,000
State general fund/general purpose	\$ 0
(9) GRANTS	
Bovine tuberculosis programs	\$ 4,500,000
Federal - land and water conservation fund payments.....	1,200,000
National recreation trails.....	1,300,000
Nongame fish and wildlife trust fund.....	2,400,000
Snowmobile local grants program.....	1,500,000
Snowmobile law enforcement grants.....	500,000
Local recreation grants - grants-in-aid	12,438,300
GROSS APPROPRIATION	\$ 23,838,300
Appropriated from:	
Federal revenues:	
DOI, federal revenues	1,200,000
DOT, federal revenues.....	1,300,000
Special revenue funds:	
Snowmobile trail improvement fund	1,500,000
Snowmobile registration fee revenue	500,000
Clean Michigan initiative fund - local recreation grants	12,438,300
State general fund/general purpose	\$ 6,900,000
Sec. 120. DEPARTMENT OF STATE	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 695,200
ADJUSTED GROSS APPROPRIATION	\$ 695,200
State general fund/general purpose	\$ 695,200
(2) DEPARTMENTAL SERVICES	
Data processing.....	\$ 395,200
GROSS APPROPRIATION	\$ 395,200
Appropriated from:	
State general fund/general purpose	\$ 395,200
(3) HISTORICAL PROGRAM	
Historical program	\$ 300,000
GROSS APPROPRIATION	\$ 300,000
Appropriated from:	
State general fund/general purpose	\$ 300,000
Sec. 121. DEPARTMENT OF STATE POLICE	
(1) APPROPRIATION SUMMARY	
Full-time equated classified positions	3.0
GROSS APPROPRIATION	\$ 10,664,000
Total interdepartmental grants and intradepartmental transfers	837,000
ADJUSTED GROSS APPROPRIATION	\$ 9,827,000
Total federal revenues	(192,000)
Total other state restricted revenues	(200,000)
State general fund/general purpose	\$ 10,219,000
(2) CENTRAL RECORDS	
Full-time equated classified positions	3.0
Central records division—3.0 FTE positions.....	\$ 750,000
Law enforcement information technology projects.....	3,100,000
GROSS APPROPRIATION	\$ 3,850,000

For Fiscal Year
Ending Sept. 30,
2000

Appropriated from:	
Federal revenues:	
Total federal revenues	\$ 300,000
State general fund/general purpose	\$ 3,550,000
(3) CRIMINAL JUSTICE DATA CENTER	
Local LEIN services	\$ 300,000
Computer services.....	100,000
GROSS APPROPRIATION	\$ 400,000
Appropriated from:	
State general fund/general purpose	\$ 400,000
(4) EMERGENCY MANAGEMENT	
Grants to local government	\$ 197,000
GROSS APPROPRIATION	\$ 197,000
Appropriated from:	
Federal revenues:	
FEMA-PTED, hazardous material assistance program	(492,000)
State general fund/general purpose	\$ 689,000
(5) UNIFORM SERVICES	
Commercial mobile radio service projects	\$ 837,000
Uniform services.....	130,000
Firearms safety and awareness	150,000
GROSS APPROPRIATION	\$ 1,117,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDTR, commercial mobile radio service fees	837,000
State general fund/general purpose	\$ 280,000
(6) SPECIAL OPERATIONS	
Firearm safety device grants to locals	\$ 1,000,000
GROSS APPROPRIATION	\$ 1,000,000
Appropriated from:	
State general fund/general purpose	\$ 1,000,000
(7) CRIMINAL INVESTIGATIONS	
Criminal investigations	\$ 500,000
Project exile coordinating commission.....	1,500,000
GROSS APPROPRIATION	\$ 2,000,000
Appropriated from:	
Special revenue funds:	
Forfeiture funds	(200,000)
State general fund/general purpose	\$ 2,200,000
(8) DEPARTMENTWIDE APPROPRIATIONS	
Fleet leasing.....	\$ 2,100,000
GROSS APPROPRIATION	\$ 2,100,000
Appropriated from:	
State general fund/general purpose	\$ 2,100,000
Sec. 122. DEPARTMENT OF TRANSPORTATION	
(1) APPROPRIATION SUMMARY	
GROSS APPROPRIATION	\$ 29,700,000
ADJUSTED GROSS APPROPRIATION	\$ 29,700,000
Total federal revenues	23,700,000
Total other state restricted revenues	6,000,000
State general fund/general purpose	\$ 0
(2) INTERCITY PASSENGER AND FREIGHT	
Freight preservation and development.....	\$ 600,000
GROSS APPROPRIATION	\$ 600,000
Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund.....	600,000
State general fund/general purpose	\$ 0

For Fiscal Year
Ending Sept. 30,
2000

(3) PUBLIC TRANSPORTATION DEVELOPMENT

Bus capital	\$	29,100,000
GROSS APPROPRIATION	\$	<u>29,100,000</u>
Appropriated from:		
Federal revenues:		
DOT-federal transit act.....		23,700,000
Special revenue funds:		
Comprehensive transportation fund.....		5,400,000
State general fund/general purpose	\$	0

Sec. 123. DEPARTMENT OF TREASURY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	18,522,000
ADJUSTED GROSS APPROPRIATION	\$	18,522,000
Total other state restricted revenues		17,322,000
State general fund/general purpose	\$	1,200,000

(2) FINANCIAL PROGRAMS

Michigan merit award commission	\$	<u>1,000,000</u>
GROSS APPROPRIATION	\$	<u>1,000,000</u>
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund.....		(12,000,000)
Tobacco settlement trust fund		13,000,000
State general fund/general purpose	\$	0

(3) GRANTS

Commercial mobile radio service payments.....	\$	<u>16,000,000</u>
GROSS APPROPRIATION	\$	<u>16,000,000</u>
Appropriated from:		
Special revenue funds:		
Commercial mobile radio service fees		16,000,000
State general fund/general purpose	\$	0

(4) REVENUE SHARING

Special census revenue sharing payments	\$	1,200,000
Revenue sharing hold harmless payments		<u>322,000</u>
GROSS APPROPRIATION	\$	<u>1,522,000</u>
Appropriated from:		
State restricted revenues		322,000
State general fund/general purpose	\$	1,200,000

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 in part 1 from state sources for fiscal year 1999-2000 is estimated at \$476,514,200.00 in this act and state spending from state sources paid to local units of government for fiscal year 1999-2000 is as follows:

(a) Education, NAEP test incentives	\$	220,000
(b) Community colleges - infrastructure, technology, equipment, and maintenance		8,798,250
(c) Judicial, trial court improvements		2,300,000
(d) Transportation, bus capital		5,400,000
(e) Treasury, commercial mobile radio service payments.....		7,200,000
(f) Management and budget, arts and cultural grants		11,100,000
(g) Natural resources trust fund grant-in-aid acquisition projects		<u>6,665,400</u>

- Dr. T. K. Lawless park north, Cass County
- Park Lyndon expansion, Washtenaw County
- Harvey property purchase, Muskegon County
- Oscoda riverwalk park, Iosco County
- Acquisition of Escanaba riverfront property, Delta County
- Oakland Township park acquisition, Oakland County

Carpenter lake acquisition, Oakland County	
Jabara property, Antrim County	
Southside park land purchase, Calhoun County	
Markin Glen river access/Kalamazoo river valley trailway, Kalamazoo County	
Arcadia south beach, Manistee County	
Eagle Harbor Township nature conservatory, Keweenaw County	
(h) Natural resources trust fund grant-in-aid development projects.....	\$ 3,078,000
Ott preserve improvements, Calhoun County	
Betsie valley trail, Benzie County	
Lakefront park improvements, Calhoun County	
Trenton linked riverfront parks improvements, Wayne County	
Curtiss park improvements, Washtenaw County	
Riverfront park dock and pier, Berrien County	
Harbor breakwall walkway extension, Alpena County	
Paint river walk, Iron County	
County park revitalization, Luce County	
Boyne river walk project, Charlevoix County	
Lillie park restoration/redevelopment, Washtenaw County	
Elberta historic waterfront trailhead park, Benzie County	
Rockport picnic fishing pier, Alpena County	
Hull park waterfront, Grand Traverse County	
Michigan beach park improvements, Charlevoix County	
(i) Clean Michigan initiative fund - local recreation grant projects.....	12,438,300
(j) Snowmobile law enforcement grants.....	500,000
(k) Detroit zoological park.....	10,000,000
(l) Emergency local harbor dredging.....	10,000,000
(m) Alpena Community College-concrete technology center	407,700
(n) Career development, community service alliance	10,000,000
(o) Judiciary, Riverview court.....	250,000
(p) Judiciary, implementation of commercial motor vehicle legislation	1,650,000
(q) Strategic fund agency, core communities.....	50,000,000
(r) Treasury, special census revenue sharing	1,200,000
(s) State police, grants to local government	197,000
(t) Treasury, revenue sharing hold harmless payments	322,000
TOTAL.....	\$ 141,726,650

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. 211. The unexpended portions of the appropriations in part 1 for the departments and agencies listed in this section are considered work project appropriations. The projects will be accomplished by the use of department personnel and contracting with private consultants with estimated completion dates of September 30, 2002. The projects are as follows:

- (a) Agriculture, bovine tuberculosis programs (estimated amount \$14,500,000.00).
- (b) Agriculture, fairs and expositions/horse racing grants/office of racing commission (estimated amount \$1,307,300.00).
- (c) Agriculture, food safety and quality assurance (estimated amount \$2,000,000.00).
- (d) Capital outlay, Detroit zoological park (estimated amount \$10,000,000.00).
- (e) Capital outlay, Niles state police post/public safety complex (estimated amount \$6,500,000.00).
- (f) Capital outlay, Kalamazoo aviation history museum (estimated amount \$3,000,000.00).
- (g) Capital outlay, southwest Michigan innovations center (estimated amount \$5,000,000.00).
- (h) Career development, focus: HOPE (estimated amount \$10,500,000.00).
- (i) Career development, community service alliance (estimated amount \$10,000,000.00).
- (j) Civil rights, staffing replacement plan (estimated amount \$1,000,000.00).
- (k) Civil service, HRMN fiscal year 2000 needs (estimated amount \$1,200,000.00).
- (l) Community health, QHP encounter data system (estimated amount \$4,200,000.00).
- (m) Community health, bovine tuberculosis programs (estimated amount \$749,000.00).
- (n) Community health, health insurance data automation (estimated amount \$7,000,000.00).
- (o) Community health, child car seat program (estimated amount \$300,000.00).
- (p) Community health, Wayne county juvenile health services (estimated amount \$4,455,300.00).
- (q) Consumer and industry services, fire and emergency training center (estimated amount \$1,000,000.00).
- (r) Consumer and industry services, regional EMS training center (estimated amount \$2,000,000.00).

- (s) Corrections, 800 MHz radios (estimated amount \$1,377,200.00).
- (t) Education, troops for teachers (estimated amount \$40,000.00).
- (u) Education, reading plan for Michigan (estimated amount \$2,250,000.00).
- (v) Education, NAEP test incentives (estimated amount \$220,000.00).
- (w) Education, refugee children school impact grant (estimated amount \$950,000.00).
- (x) Education, study of teacher preparation (estimated amount \$240,000.00).
- (y) Family independence agency, food stamp reinvestment (estimated amount \$18,813,200.00).
- (z) Family independence agency, p.c. upgrades (3 years) (estimated amount \$15,000,000.00).
- (aa) Family independence agency, teen pregnancy reduction project (estimated amount \$20,000,000.00).
- (bb) Family independence agency, family opportunity project (estimated amount \$50,000,000.00).
- (cc) Family independence agency community services block grants (estimated amount \$1,000,000.00).
- (dd) Higher education, Michigan merit awards (estimated amount \$11,200,000.00).
- (ee) Judiciary, trial court improvements (estimated amount \$2,300,000.00).
- (ff) Judiciary, implementation of commercial motor vehicle legislation (estimated amount \$1,650,000.00).
- (gg) Judiciary, 27th district court (estimated amount \$250,000.00).
- (hh) Management and budget, e-Michigan (estimated amount \$23,200,000.00).
- (ii) Management and budget, arts and cultural grants (estimated amount \$11,100,000.00).
- (jj) Management and budget, council of state governments annual meeting expenses (estimated amount \$350,000.00).
- (kk) Management and budget, EFT/vendor enrollment (estimated amount \$2,000,000.00).
- (ll) Management and budget, census and redistricting (estimated amount \$500,000.00).
- (mm) Military affairs, Vietnam veterans memorial (estimated amount \$500,000.00).
- (nn) Military affairs, Grand Rapids veterans' home (estimated amount \$400,000.00).
- (oo) Natural resources, bovine tuberculosis programs (estimated amount \$4,500,000.00).
- (pp) Natural resources, general law enforcement (estimated amount \$1,500,000.00).
- (qq) Natural resources, forest fire protection (estimated amount \$850,000.00).
- (rr) Natural resources, fisheries resource management (estimated amount \$960,000.00).
- (ss) Natural resources, Dober mine settlement project (estimated amount \$312,000.00).
- (tt) Natural resources, tribal fishing settlement (estimated amount \$17,000,000.00).
- (uu) State, branch computer upgrade (estimated amount \$695,200.00).
- (vv) State police, central records division (estimated amount \$750,000.00).
- (ww) State police, information technology (estimated amount \$3,100,000.00).
- (xx) State police, 911 priority projects (estimated amount \$837,000.00).
- (yy) State police, firearm safety and awareness (estimated amount \$150,000.00).
- (zz) State police, firearm safety device grants to locals (estimated amount \$1,000,000.00).
- (aaa) State police, project exile coordinating commission (estimated amount \$1,500,000.00).
- (bbb) Transportation, bus capital (estimated amount \$29,100,000.00).
- (ccc) Transportation, freight preservation and development (estimated amount \$600,000.00).
- (ddd) Treasury, MEAP test development (estimated amount \$1,000,000.00).
- (eee) Treasury, revenue sharing hold harmless payments (estimated amount \$322,000.00).

Sec. 212. For the fiscal year ending September 30, 2000, all general fund-general purpose unreserved balances at the final close of the fiscal year are appropriated and shall be transferred to the countercyclical budget and economic stabilization fund pursuant to section 354(4) of the management and budget act, 1984 PA 431, MCL 18.1354.

Sec. 213. If total state revenues for the fiscal year ending September 30, 2000 have exceeded the revenue limit established under section 26 of article IX of the state constitution of 1963 by less than 1%, the appropriations contained in section 212 and section 212 of 1999 PA 124 shall be considered a deposit into the countercyclical budget and economic stabilization fund pursuant to the provisions of section 26 of article IX of the state constitution of 1963.

Sec. 214. If total state revenues for the fiscal year ending September 30, 2000 have exceeded the revenue limit established under section 26 of article IX of the state constitution of 1963 by 1% or more, the appropriations contained in section 212 and section 212 of 1999 PA 124 to the countercyclical budget and economic stabilization fund are appropriated and transferred back to the general fund. This transfer shall occur before the final book closing for the fiscal year ending September 30, 2000 is completed.

AGRICULTURE

Sec. 301. The department of agriculture shall provide to the senate and house of representatives appropriation committees and the fiscal agencies a report of the distribution of funds in part 1 for regulatory enhancements and race horse drug testing-fairs line items. This report shall be transmitted not later than October 15, 2000.

Sec. 302. (1) The office of racing commissioner shall provide a report that details the total dollars wagered and the breaks money from each of the 8 pari-mutuel tracks to each of the following:

- (a) Each municipality where the pari-mutuel tracks are located.
- (b) The senate and house of representatives appropriations committees.

(c) The fiscal agencies.

(2) The report described in subsection (1) shall be transmitted to the entities described in subsection (1) not later than October 15, 2000.

Sec. 303. Of the funds appropriated for food safety and quality assurance, the department shall allocate funding to provide a system that will provide the following:

(a) Establish inspection priorities based upon current risk knowledge.

(b) Provide for automatic data capture and uploading at the field level, eliminating the need for duplicative data entry.

(c) Provide for automatic information retrieval at the field and regional office levels.

(d) Provide a centralized complaint reporting and tracking system that will be phased in as funding becomes available.

(e) Provide web-based information for consumer access.

(f) Provide critical enforcement data for oversight and uniformity.

Sec. 304. Of the funds appropriated in part 1 for agriculture development initiatives, the department shall expend funds for local grant promotions for agricultural value initiatives. These funds shall not be expended until legislation is enacted to create the uncollectable allowance recovery fund and prescribe the uses of the fund.

CAPITAL OUTLAY

Sec. 401. (1) A university or community college shall not enter into a contract for new construction of a nonstate-funded project estimated to cost more than \$1,000,000.00 unless the project is authorized by the joint capital outlay subcommittee (JCOS). The request for legislative authorization shall be initially submitted for review to the JCOS and the department. A nonstate-funded project request shall include a complete use and financing statement as defined by a policy adopted by the JCOS. The use and financing statement for a nonstate-funded project shall contain the estimated total construction cost and all associated estimated operating costs including a statement of anticipated project revenues. As used in this section, "new construction" includes land or property acquisition, remodeling, additions, and maintenance projects.

(2) A project that is constructed in violation of this section shall not receive state appropriations for purposes of operating the project, or support for future infrastructure enhancements that are necessitated, in part or in total, by construction of the project.

(3) A state agency, including the department of military and veterans affairs, shall not enter into a contract, including those for a direct federally-funded capital outlay construction or major maintenance or remodeling project if the total project is estimated to cost more than \$1,000,000.00 and is to be constructed on state-owned lands, unless the project is approved by the department and by the JCOS. For projects over \$1,000,000.00, the state agency shall submit a use and finance statement as required for community colleges and universities in subsection (1). As used in this subsection, "direct federally-funded" refers to a project for which federal payments are made directly to the construction vendor and not to the state of Michigan.

(4) A 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 a contractual interlocal agreement 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 shall not let a contract for new construction estimated to cost more than \$1,000,000.00 unless the project is authorized by the JCOS through the approval of a use and financing statement. For purposes of this subsection, the use and financing statement for a project shall contain the estimated total construction cost and all associated estimated operating costs. As used in this subsection, "new construction" means land or property acquisition, remodeling or additions, lease or lease purchase, and maintenance projects for the corporate office of the public body corporate described in this subsection.

Sec. 402. The funds appropriated in part 1 for community colleges - infrastructure, technology, equipment, and maintenance shall be distributed as follows:

Alpena Community College	\$	228,779
Bay de Noc Community College.....		178,179
Delta College		415,337
Glen Oaks Community College.....		138,689
Gogebic Community College		162,470
Grand Rapids Community College.....		476,445
Henry Ford Community College		427,944
Jackson Community College.....		293,954
Kalamazoo Valley Community College.....		292,030
Kellogg Community College.....		287,729
Kirtland Community College		143,847
Lake Michigan College		270,040
Lansing Community College.....		523,824

Macomb Community College.....	672,423
Mid Michigan Community College.....	166,853
Monroe County Community College.....	212,678
Montcalm Community College	151,742
C.S. Mott Community College.....	406,398
Muskegon Community College	207,754
North Central Michigan College	152,477
Northwestern Michigan College.....	389,093
Oakland Community College	793,048
St. Clair County Community College.....	247,268
Schoolcraft College.....	305,919
Southwestern Michigan College.....	215,606
Washtenaw Community College.....	370,481
Wayne County Community College	508,175
West Shore Community College	159,618
TOTAL.....	\$ 8,798,800

Sec. 403. The funds appropriated in part 1 for universities - infrastructure, technology, equipment, and maintenance shall be distributed as follows:

Central Michigan University	\$ 2,414,349
Eastern Michigan University	2,457,092
Ferris State University	1,563,312
Grand Valley State University	1,611,467
Lake Superior State University	401,768
Michigan State University.....	9,114,794
Michigan Technological University.....	1,555,463
Northern Michigan University.....	1,464,553
Oakland University	1,416,381
Saginaw Valley State University	748,659
University of Michigan-Ann Arbor	10,165,837
University of Michigan-Dearborn	773,316
University of Michigan-Flint.....	665,265
Wayne State University	7,142,002
Western Michigan University	3,495,535
TOTAL.....	\$ 44,989,793

Sec. 404. The distributions provided for community colleges and for universities in part 1 shall not be made until the community college or university submits to the state budget director a 5-year comprehensive capital outlay plan for fiscal year 2001 through fiscal year 2004-2005 pursuant to section 242 of the management and budget act, 1984 PA 431, MCL 18.1242.

Sec. 405. The planning approval requirements by the JCOS for the animal health diagnostic laboratory are waived pursuant to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594. The project is authorized to move into final design and construction.

Sec. 406. (1) Except as otherwise provided in subsection (2), the funds appropriated in part 1 for public broadcasting digital conversion shall be distributed as follows:

WGVU-TV, Grand Valley State University	\$ 1,424,891
WKAR-TV, Michigan State University	1,218,017
WNMU-TV, Northern Michigan University	1,315,357
WFUM-TV, University of Michigan-Flint.....	1,130,085
WDCQ-TV, Delta College.....	2,052,825
WCMU-TV, Central Michigan University.....	5,633,121
WTVS-TV, Detroit.....	1,271,210
WGVU-Radio, Grand Valley State University.....	217,115
WKAR-Radio, Michigan State University.....	108,558
WNMU-Radio, Northern Michigan University.....	379,952
WFUM-Radio, WUOM-Radio, University of Michigan	398,045
WCMU-Radio, Central Michigan University	325,673
WDET-Radio, Wayne State University	54,279
WEMU-Radio, Eastern Michigan University	54,279
WIAA-Radio, Interlochen.....	108,558
WBLU-Radio, Blue Lake Music Camp.....	108,558
WMUK-Radio, Western Michigan University	54,279

(2) Funds shall not be distributed to a public broadcasting entity described in subsection (1), unless that public broadcasting entity agrees to prohibit all of the following:

(a) The rental, sale, or exchange of the name or other personally identifiable information of a contributor or a donor to any federal, state, or local candidate, political party, independent, or political committee.

(b) The disclosure of the name or other personally identifiable information of a contributor or donor to any nonaffiliated third party unless:

(i) The public broadcasting entity clearly and conspicuously discloses to the contributor or donor that such information may be disclosed to a nonaffiliated third party.

(ii) The contributor or donor is given the opportunity, before disclosure of the information, to direct that personally identifiable information not be disclosed to a nonaffiliated third party.

(iii) The contributor or donor is provided an explanation of how the contributor or donor may exercise the nondisclosure option described in subsection (ii).

(3) Upon conversion to digital technology, public television stations shall provide the state of Michigan with a daytime television channel for educational and governmental use statewide.

Sec. 407. The department of natural resources shall enter into agreements with local units of government for the purpose of administering the grants identified in part 1. Among other provisions, the agreements shall require that grant recipients agree to dedicate to public outdoor recreation uses, in perpetuity, the land acquired or developed; to replace lands converted or lost to other than public outdoor recreation use; and for parcels acquired over 5 acres, to either convey to the state any mineral interests acquired by the grant recipient with an exception allowed for a share of the mineral interests acquired, which share is based on the portion of the fair market value of the property that was provided by the local cash contribution of the grant recipient, or provide the state with a nonparticipating 1/6 minimum royalty interest in any acquired minerals that are retained by the grant recipient. The agreements shall also provide that the full payments of grants can be made only after proof of acquisition, or completion of the development project, is submitted by the grant recipient and all costs are verified by the department of natural resources.

Sec. 408. The department of natural resources shall take steps necessary to make available federal or other funds that may become available for the purpose for which natural resources trust fund appropriations are made in part 1, and to use any or all of the appropriations to meet matching requirements which are determined to be in the best interest of the state.

Sec. 409. Any unobligated balance in any natural resources trust fund appropriation made under part 1 shall not revert to the fund from which appropriated at the close of the fiscal year, but shall continue until the purpose for which it was appropriated is completed for a period not to exceed 3 fiscal years. The unexpended balance of any natural resources trust fund appropriation made in part 1 remaining after the purpose for which it was appropriated is completed shall revert to the Michigan natural resources trust fund and be made available for appropriation.

Sec. 410. If a person or organization has acquired an option on a parcel of property prior to final determination by the department of natural resources and the Michigan natural resources trust fund board, the property shall not be considered for acquisition unless the department and board can demonstrate that a clear recreational advantage exists in obtaining the parcel of property for the people of the state at a reasonable fair market value.

Sec. 411. As required by section 1903(3) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.1903, the grants-in-aid to local units of government shall be awarded pursuant to this act.

Sec. 413. The following project costs/financing are adjusted as indicated for correctional facility projects authorized by 1998 PA 273:

(a) For Cooper street correctional facility the total project cost is increased from \$7,100,000.00 to \$8,200,000.00. The state building authority share remains \$5,000,000.00; the state general fund share remains \$120,000.00; and the federal funds share is increased from \$1,980,000.00 to \$3,080,000.00.

(b) For camp Pugsley correctional facility the total project cost is reduced from \$28,000,000.00 to \$26,900,000.00; the state building authority share is reduced from \$27,720,000.00 to \$26,620,000.00; and the state general fund share remains \$280,000.00.

(c) For the new level IV correctional facility at Ionia, the total project cost remains \$80,500,000.00. The state building authority share is increased from \$33,479,900.00 to \$34,579,900.00; the state general fund share remains \$100.00; and the federal funds share is reduced from \$47,020,000.00 to \$45,920,000.00.

Sec. 413a. (1) Funds appropriated in section 103(3) for building demolition shall be used to demolish state-owned, tax-reverted properties. The director may provide that tax-reverted properties be demolished or may coordinate rehabilitation efforts when it is determined to be in the best interest of the state due to health and public safety concerns or major disrepair.

(2) Funds appropriated in this section may be used to cover all costs associated with demolition, including, but not limited to, environmental studies, abatement, and excavation, as well as necessary and reasonable administrative costs related to project management.

Sec. 413b. (1) From the funds appropriated in part 1, to the department of state for the iron ore museum, the department of state shall undertake a work project and make expenditures up to \$500,000.00 to expand the Michigan iron industry museum in Negaunee.

(2) The purpose of this work project is to expand the exhibit space at the museum for artifact protection, additional exhibit displays, and public programming, especially for school-age children. The department of state shall accomplish its construction objective by using standard state procurement procedures and performance billings and payments. The estimated completion cost to be incurred by the department of state is \$500,000.00, and the anticipated completion date is September 30, 2004.

(3) The funding appropriated for this work project shall not lapse at the end of the fiscal year but shall continue to be available for expenditure until the project is completed or the funding is depleted, whichever occurs first.

Sec. 413c. The funds appropriated in part 1 for the Kalamazoo aviation history museum shall only be expended if Michigan is selected as the project site.

DEPARTMENT OF COMMUNITY HEALTH

Sec. 414. From the funds appropriated in part 1 for public health traffic safety coordination, \$300,000.00 shall be allocated for a child car seat safety grant program for the purpose of providing grants for training, promotion, and education concerning the child restraint system use requirements established in sections 710d and 710e of the Michigan vehicle code, 1949 PA 300, MCL 257.710d and 257.710e.

EXECUTIVE OFFICE

Sec. 415. Funds collected by the executive office 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 costs 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.

DEPARTMENT OF ENVIRONMENTAL QUALITY

Sec. 416. The appropriation in part 1 for the volunteer river, stream, and creek cleanup program shall be granted for river debris cleanup projects conducted in the year 2000. The local matching requirement in section 8802(4) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.8802, may be satisfied by local contributions, landfill fee credits, and donated equipment.

FAMILY INDEPENDENCE AGENCY

Sec. 417. The family independence agency, with the approval of the state budget director, is authorized to realign sources of financing authorizations in 1999 PA 135 in order to maximize temporary assistance for needy families' maintenance of effort countable expenditures. This realignment of financing shall not be made until 30 days after notifying the chairs of the house and senate appropriations subcommittees on the family independence agency budget and house and senate fiscal agencies, and shall not produce an increase or decrease in any line-item expenditure authorization.

Sec. 418. If title IV-D related child support collections are escheated, the state budget director is authorized to adjust the sources of financing in the legal support contracts line item to reduce federal authorization by 66% of the escheated amount and increase general fund/general purpose authorization by the same amount. As used in this section, "Title IV-D" means part D of title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 651 to 655, 656 to 660, and 663 to 669b.

JUDICIARY

Sec. 421. The audit conducted by the legislative auditor general pursuant to section 53 of article IV of the state constitution of 1963 shall include a review of trial court improvement projects.

Sec. 422. The funds appropriated in part 1 for the implementation of commercial motor vehicle legislation shall be used only for trial court costs associated with implementing 1 or more of the following:

- (a) 2000 PA 93.
- (b) 2000 PA 94.
- (c) 2000 PA 95.
- (d) 2000 PA 96.
- (e) 2000 PA 97.
- (f) 2000 PA 98.

LEGISLATURE

Sec. 425. Any unexpended funds appropriated in part 1 to the senate and house of representatives for census tracking/reapportionment shall not lapse to the general fund at the close of the fiscal year and shall remain available in succeeding fiscal years for the purpose for which they were appropriated.

MANAGEMENT AND BUDGET

Sec. 429. Of the funds appropriated in part 1 for arts and cultural grants, the department of management and budget shall award a grant of \$500,000.00 to the Jesse Besser museum in Alpena.

MICHIGAN STRATEGIC FUND

Sec. 430. (1) The funding appropriated in part 1 for the Michigan core communities fund will be used to create an urban revitalization infrastructure program in the Michigan strategic fund for economic development awards to create new jobs or contribute to redevelopment and encourage private investment in core communities.

(2) Awards will be provided to qualified local governmental units as defined in the obsolete property rehabilitation act, 2000 PA 146, or certified technology parks, as defined in the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174. All qualified local governmental units and certified technology parks will be notified of the Michigan core communities fund within 15 days of the effective date of this act.

(3) Awards can be used only 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 costs related to any of these, 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) The appropriation of the Michigan core communities fund is a work project appropriation and any unencumbered or unallotted funds are carried forward into the following fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project to be carried out is to provide awards to qualified local governmental units and certified technology parks for local economic development projects as defined by this section.

(b) The project will be accomplished through contracts.

(c) The total estimated cost of all awards is identified in the line-item appropriation.

(d) The tentative completion date is September 30, 2005.

(8) Funds will be awarded as part of 4 separate application periods. Deadlines for submitting applications for each of the 4 periods will be no later than September 1, 2000, January 1, 2001, April 1, 2001, and July 1, 2001. Awards for each of the application periods will be made on a quarterly basis.

(9) Not more than \$12,500,000.00 will be awarded per application period, and no single project shall be awarded more than \$10,000,000.00.

(10) Fifteen days prior to 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, and the house and senate fiscal agencies.

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

(a) Land sited for use as, or support for, a gaming facility or as a stadium or arena for use by a professional sports team.

(b) Land or other facilities owned or operated by a gaming facility or by a stadium or arena for use by a professional sports team.

(c) Publicly owned land or facilities which may directly or indirectly support a gaming facility or a stadium or arena by a professional sports team.

(12) By December 31 of each year that the Michigan core communities fund continues in operation, the Michigan economic development corporation shall submit to the chairs of the appropriations committees in the house of representatives and senate a report detailing the awards made.

(13) As used in this section, "Michigan economic development corporation" means 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 a 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. If the Michigan economic development corporation is unable for any reason to perform its duties under this act, the Michigan strategic fund may exercise those duties.

MILITARY AFFAIRS

Sec. 450. The appropriation in part 1 for the Vietnam veterans memorial shall be expended for construction and related professional design services upon certification that donations and other funds have been secured sufficient to meet total project costs, and after department of management and budget approval of final design specifications and site.

DEPARTMENT OF NATURAL RESOURCES

Sec. 501. The appropriation in part 1 for local recreation grants shall be allocated and awarded in accordance with part 716 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71601 to 324.71607.

Sec. 502. The unexpended portion of the appropriation in part 1 for the department of natural resources for local recreation grants is considered a work project appropriation. The purpose of this appropriation is to provide grants to local governmental units for local recreation capital improvement projects. Capital improvement projects include the construction, expansion, development, or rehabilitation of recreational facilities. The estimated completion date for these grant projects is September 30, 2004.

Sec. 503. The appropriation contained in part 1 for federal land and water conservation fund payments shall be considered a work project pursuant to section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a. The projects will be accomplished by the use of department personnel and contracting with private consultants with estimated completion dates of September 30, 2004.

Sec. 504. The appropriation contained in part 1 for the snowmobile local grants program and snowmobile law enforcement grants shall be considered work projects pursuant to section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a. The projects will be accomplished by the use of department personnel and contracting with private consultants with estimated completion dates of September 30, 2001.

Sec. 505. The appropriation contained in part 1 for general law enforcement is to be used to purchase and install computers in the patrol cars used by conservation officers. The department of natural resources shall not use these funds for any other purpose and shall make every effort to complete the purchase and installation of these computers in a timely manner.

Sec. 506. (1) The appropriation in part 1 for the Great Lakes fishing settlement and gill net removal shall be expended in accordance with the terms of a settlement agreement to which the state is a party to be entered in the case of United States v Michigan, No. 2:73-cv-26 (WD Mich).

(2) The appropriation in part 1 for the Great Lakes fishing settlement and gill net removal shall not be released by the department of management and budget until the settlement agreement described in subsection (1) is adopted, entered, or issued by the federal court. In the event that no settlement agreement to which the state of Michigan is a party is filed on or before August 11, 2000, the funds appropriated in part 1 for the Great Lakes fishing settlement and gill net removal shall revert to the general fund and be made available for appropriation.

(3) In the event that the settlement agreement described in subsection (1) does not provide that, subject to a congressional appropriation, the department of interior will provide a minimum of \$7,500,000.00, the funds appropriated in part 1 for the Great Lakes fishing settlement and gill net removal shall revert to the general fund and be made available for appropriation.

(4) In the event that the settlement agreement described in subsection (1) does not provide that, for the life of the agreement, there shall be no commercial use of large mesh gill nets in waters south of the 45th parallel and west of the Leelanau peninsula, the funds appropriated in part 1 for the Great Lakes fishing settlement and gill net removal shall revert to the general fund and be made available for appropriation.

(5) Of the funds appropriated in part 1 for the Great Lakes fishing settlement and gill net removal, \$1,000,000.00 shall be used by the department of natural resources for fisheries enforcement and assessment activities, including the purchase of necessary vessels and equipment.

(6) The department of natural resources shall submit an annual report beginning September 30, 2001 to the speaker of the house of representatives, the senate majority leader, and the governor on the status of the enforcement and implementation of the settlement agreement described in subsection (1).

DEPARTMENT OF STATE

Sec. 551. The \$100,000.00 appropriated in part 1 to the department of state, for the Michigan historical center foundation challenge grant, is contingent upon the foundation providing a dollar for dollar cash match.

STATE POLICE

Sec. 575. Of the funds appropriated in section 121(4) for grants to local government, \$197,000.00 shall be distributed to the city of Gaylord to reimburse the cost of infrastructure damage and road repair caused by a high-wind natural disaster.

Sec. 576. The funds appropriated in section 121 for the central records division shall be expended for the purposes of conducting criminal history background checks on persons applying through the department of consumer and industry services for a license or certificate of registration to operate a child care organization under section 1(e), (f)(iii), or (f)(iv) of 1973 PA 116, MCL 722.111, and persons applying through the family independence agency to become an enrolled day care aide or an enrolled relative care provider.

Sec. 577. The funds appropriated in section 121 for firearms safety and awareness shall be expended by the department of state police, in collaboration with the Michigan state university school of criminal justice, to develop a curriculum for K-12 students on gun awareness and safety and to train 400 police officers to deliver the curriculum to school-age youth. The gun safety curriculum shall include teaching children to prevent gun accidents by instructing them to "stop, don't touch, leave the area, and tell an adult" should a child encounter a gun. The curriculum shall not include instruction on how to use a gun.

Sec. 578. (1) The funds appropriated in section 121 for firearm safety device grants to locals shall be expended to provide local units with firearm safety devices for distribution to persons residing in the grantees' respective communities. The department of state police shall establish guidelines for the distribution of firearm safety devices to local units for their distribution to firearm owners.

(2) The state shall not be liable for any injury resulting from the use of the safety device, or any injury or death resulting from the discharge of a firearm equipped with a safety device provided under this act.

Sec. 579. The funds appropriated in section 121 for the project exile coordinating commission shall be expended to provide information, training, and technical assistance to law enforcement and prosecution, to coordinate criminal prosecutions under firearms laws of this state and federal law and penalties under those laws, and to provide funding to law enforcement agencies and prosecutors in the form of grants and loans for these stated purposes. Funds may be expended to hire a sufficient number of prosecutors and support staff as deemed necessary by the commission to fulfill the purposes of the commission. Funds may be expended on programs to inform the public of the commission and its duties.

Sec. 580. Expenditures for new criminal justice information technology initiatives, from the funds appropriated for law enforcement information technology project in part 1, shall be consistent with the standards and guidelines of the criminal justice information systems policy council for integrated and inter-operable criminal justice information systems.

DEPARTMENT OF TRANSPORTATION

Sec. 601. From the funds appropriated in part 1 of 1999 PA 136, \$2,000,000.00 is allocated for a rail infrastructure loan program. The program shall provide noninterest bearing loans for rail infrastructure improvements. The department shall evaluate loan applications according to the relative merit of the project in conjunction with program goals. The transportation commission shall approve the loans. The loans shall fund not less than 90% of the rail portion of project costs, and the loan repayment period shall not exceed 10 years. Local governments, railroads, and current or potential users of freight railroad services are eligible applicants. At the end of the fiscal year, unexpended funds shall remain in the rail infrastructure loan program and shall be available to be allocated for the purposes of the program in the succeeding fiscal year. Money that is received by this state as repayment for rail infrastructure loans made pursuant to this program shall remain within the rail infrastructure loan program and shall be allocated for the purposes of the program. The state's total contribution to the rail infrastructure loan program shall not exceed \$15,000,000.00.

Sec. 602. (1) There is appropriated \$100,000,000.00 from the state trunkline fund for the build Michigan III program.

(2) If the transfer of funds authorized in section 358 of Senate Bill No. 1275 of the 90th Legislature is less than \$62,900,000.00, the appropriation in subsection (1) for the build Michigan III program shall be reduced by the same amount the transfer is less than \$62,900,000.00.

(3) Funds from the countercyclical budget and economic stabilization fund deposited in the state trunkline fund and intended for the build Michigan III program shall not lapse at the close of the fiscal year, and shall remain in the state trunkline fund and shall carry forward and be available for appropriation for debt service payments, maintenance, and construction costs associated with the build Michigan III program.

Sec. 603. It is the intent of the legislature to review, prior to beginning construction, all build Michigan III projects approved by the department to be funded with state transportation revenues. No later than October 31, 2000, the department shall report to the senate and house of representatives appropriations subcommittees on transportation and the senate and house fiscal agencies the following information regarding those build Michigan III projects approved by the department to be funded, in whole or in part, from state transportation revenues:

- (a) Project description.
- (b) Total project costs.
- (c) The amount of total project costs funded from state transportation revenues.
- (d) The amount of local match, if any.
- (e) The life-cycle cost analysis required under section 1h of 1951 PA 51, MCL 247.651h.

DEPARTMENT OF TREASURY

Sec. 701. There is appropriated for write-offs and advances an amount equal to total write-offs and advances for the local government programs, but not to exceed current year authorizations that would otherwise lapse to the general fund.

Sec. 702. The appropriation contained in part 1 for special census revenue sharing payments is to make special census revenue sharing payments to eligible cities, villages, and townships pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921. The department of treasury shall transmit special census revenue sharing payments to eligible cities, villages, and townships by July 31, 2000. These payments shall be made to cities, villages, and townships that were certified to be eligible by June 30, 1997. The payments shall reflect the amount of special census revenue sharing payments each eligible city, village, and township would have received in the fiscal year ending June 30, 2000.

Sec. 703. The appropriation in part 1 for supplemental revenue sharing payments-counties will be distributed to counties whose 2000 population according to the United States bureau of the census is less than the counties 1990 population according to the United States bureau of the census. Each county that experiences this population decline shall be eligible to receive a supplemental payment equal to the difference between the amount of fiscal year 2000-2001 total revenue sharing payments the county would have received utilizing their 1990 population and the amount of revenue sharing payments the county received in fiscal year 2000-2001 pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921. The department of treasury shall reduce these supplemental payments proportionally if the amount appropriated in part 1 is insufficient to fully fund these payments. The supplemental payments to eligible counties shall be distributed by September 30, 2001.

MISCELLANEOUS

Sec. 801. Section 710 of 1999 PA 136 is repealed.

Sec. 802. Section 501 of 1999 PA 265 is repealed.

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

A bill to make, supplement, and adjust appropriations for various state departments and agencies, the legislative branch, and the judicial branch for the fiscal year ending September 30, 2000; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

Harry Gast
George A. McManus, Jr.
Alma Wheeler Smith
Conferees for the Senate

Terry Geiger
Jon Jellema
Hubert Price, Jr.
Conferees for the House

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

Senator Rogers moved that the rule be suspended.

The motion prevailed.

The question being on the adoption of the conference report,

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

Roll Call No. 567

Yeas—29

Bennett	Goschka	McManus	Sikkema
Byrum	Gougeon	Murphy	Smith, A.
Cherry	Hammerstrom	North	Smith, V.
DeBeaussaert	Hoffman	Peters	Steil
DeGrow	Johnson	Rogers	Stille
Dunaskiss	Koivisto	Schuette	Vaughn
Emerson	Leland	Shugars	Young
Gast			

Nays—9

Bullard	Hart	McCotter	Schwarz
Dingell	Jaye	Miller	Van Regenmorter
Emmons			

Excused—0

Not Voting—0

In The Chair: President

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

Protests

Senators Miller, McCotter and Jaye, under their constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the first conference report on Senate Bill No. 968.

Senators Miller and McCotter moved that the statements they made during the discussion of the conference report be printed as their reasons for voting “no.”

The motion prevailed.

Senator Miller’s statement, in which Senator Jaye concurred, is as follows:

I strongly disagree with my friend, the chairman of the committee. I think he should let the members know when we should get together with him. Maybe we should start right now for next year because I come from a county that’s the third largest county in the state, and you have a budget bill here for \$618 million. Now that’s going to be difficult for me to go back home to Macomb County and tell my citizens that while we did meet the criteria, we weren’t in early enough.

I happen to agree with the good Senator from the 24th District when he stated that the criteria for determining these grants is sometimes a little shaky. I think that we need to set new guidelines and new rules that if we’re going to start picking and choosing, then I think the members here have the right to know when we’re going to pick and choose and when one person gets to spend all the taxpayers’ money across the state of Michigan.

Now I might sound like I am unhappy. I am extremely unhappy because I represent some hardworking citizens who do not benefit by this grant here. I’d rather see their taxpayer dollars of \$618 million—you want to give a tax refund. Well, let’s give the supplemental bill back to the taxpayers of Michigan. That’s a good place to start.

I want to know if we’re going to change the rules of the game here, then let me know. I’ll come and knock on the chairman’s door next year, and I’ll tell all the people of Macomb County that maybe we should get in line a little earlier because of the way we pick and choose.

I sent a letter to the committee last Friday, and I asked the chairman to let the members know the need for the grant for my community. We’re talking about \$618 million. I had a grant for \$50,000 that protected the lives of a lot of firefighters in my community. We can’t find \$50,000, but we can find \$618 million for everything else under the sun? I want my record to show here that as Macomb County residents, we’re tired of sending our dollars to the treasury and never getting anything in return.

Senator McCotter’s statement, in which Senator Jaye concurred, is as follows:

The distinguished Senator from the 24th District brought up two very good points, which I would just like to say is why I’m not going to be supporting the conference committee report. The first is that the process is exceedingly important, especially as we will be entering the era of post-term limits in 2003. The process is the one thing that will protect us from the vagaries of venality that sometimes affects both chambers of the Legislature.

Secondly, he said that there is simply too much in here for too many people for this not to pass. I would argue that is precisely why it should not.

By unanimous consent the Senate returned to the order of

Messages from the House

Senate Bill No. 964, 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 years ending September 30, 2000 and September 30, 2001; 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; to provide for disposition of fees and other income received by the various state agencies; and to repeal acts and parts of acts.

The House of Representatives has appointed Reps. Geiger, Scranton and Martinez as conferees to join with Senators Gougeon, Schwarz and Emerson.

The bill was referred to the Conference Committee on June 13, 2000.

House Bill No. 5275, entitled

A bill to make appropriations for the department of consumer and industry services and certain other state purposes for the fiscal year ending September 30, 2001; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

The House of Representatives has rejected the report of the Committee of Conference and has appointed Reps. Kukuk, Jellema and Prusi as second conferees.

The message was referred to the Secretary for record.

House Bill No. 5275, entitled

A bill to make appropriations for the department of consumer and industry services and certain other state purposes for the fiscal year ending September 30, 2001; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

The House of Representatives has appointed Rep. Jellema to replace Rep. Kukuk as Chair of the second conference committee.

The message was referred to the Secretary for record.

Senate Bill No. 1044, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 3, 6, 8, 11, 11f, 11g, 19, 20, 20j, 21b, 24, 26a, 31a, 31c, 31d, 32, 36, 36a, 39, 40, 41, 51a, 53a, 54, 56, 57, 61a, 62, 63, 67, 68, 74, 81, 91c, 94, 99, 101, 102, 104a, 105, 105b, 105c, 107, 147, 151, 152, and 163 (MCL 388.1603, 388.1606, 388.1608, 388.1611, 388.1611f, 388.1611g, 388.1619, 388.1620, 388.1620j, 388.1621b, 388.1624, 388.1626a, 388.1631a, 388.1631c, 388.1631d, 388.1632, 388.1636, 388.1636a, 388.1639, 388.1640, 388.1641, 388.1651a, 388.1653a, 388.1654, 388.1656, 388.1657, 388.1661a, 388.1662, 388.1663, 388.1667, 388.1668, 388.1674, 388.1681, 388.1691c, 388.1694, 388.1699, 388.1701, 388.1702, 388.1704a, 388.1705, 388.1705b, 388.1705c, 388.1707, 388.1747, 388.1751, 388.1752, and 388.1763), sections 6, 11, 11f, 11g, 20, 24, 26a, 31a, 31c, 36, 36a, 41, 51a, 53a, 54, 56, 57, 61a, 62, 63, 67, 68, 74, 81, 94, 99, 101, 104a, 105, 107, and 147 as amended and sections 20j, 31d, 32, and 105c as added by 1999 PA 119, sections 3 and 151 as amended by 1997 PA 93, sections 8 and 39 as amended by 1997 PA 142, sections 19, 21b, 102, and 163 as amended by 1996 PA 300, section 40 as amended by 1991 PA 118, section 91c as added by 1995 PA 130, section 105b as added by 1997 PA 24, and section 152 as amended by 1993 PA 175, and by adding sections 20l, 22a, 22b, 22c, 51c, 94a, 101b, and 108; and to repeal acts and parts of acts.

The House of Representatives has appointed Reps. Jelinek, Stamas and Kelly as conferees to join with Senators Stille, Bennett and DeBeaussaert.

The bill was referred to the Conference Committee on June 13, 2000.

The House of Representatives returned, in accordance with the request of the Senate

House Bill No. 4007, entitled

A bill to amend 1974 PA 369, entitled "An act to regulate the business of conducting a driver training school; to require licenses in relation thereto; to prescribe certain fees; to prescribe the powers and duties of certain persons and state departments; and to prescribe remedies and penalties," by amending sections 5 and 5b (MCL 256.605 and 256.605b), section 5 as amended and section 5b as added by 1998 PA 11.

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

Senate Bill No. 1216, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding section 3112c.

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

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

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

Senator Rogers moved that the rule be suspended.

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

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

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

Roll Call No. 568**Yeas—38**

Bennett
Bullard
Byrum
Cherry
DeBeaussaert

Gast
Goschka
Gougeon
Hammerstrom
Hart

McCotter
McManus
Miller
Murphy
North

Shugars
Sikkema
Smith, A.
Smith, V.
Steil

DeGrow	Hoffman	Peters	Stille
Dingell	Jaye	Rogers	Van Regenmorter
Dunaskiss	Johnson	Schuette	Vaughn
Emerson	Koivisto	Schwarz	Young
Emmons	Leland		

Nays—0

Excused—0

Not Voting—0

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor. The Senate agreed to the full title. The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Senator Miller moved that he be named co-sponsor of the following bill:

Senate Bill No. 1216

The motion prevailed.

House Bill No. 5391, entitled

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 30 (MCL 206.30), as amended by 1999 PA 181.

The House of Representatives has substituted (H-3) the Senate substitute (S-1).

The House of Representatives has concurred in the Senate substitute (S-1) as substituted (H-3).

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

Senator Rogers moved that the rule be suspended.

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

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

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

Roll Call No. 569

Yeas—37

Bennett	Goschka	McCotter	Shugars
Bullard	Gougeon	McManus	Sikkema
Byrum	Hammerstrom	Miller	Smith, A.
Cherry	Hart	Murphy	Smith, V.
DeBeaussaert	Hoffman	North	Steil
DeGrow	Jaye	Peters	Stille
Dingell	Johnson	Rogers	Van Regenmorter
Dunaskiss	Koivisto	Schuette	Vaughn
Emerson	Leland	Schwarz	Young
Emmons			

Nays—0

Excused—0

Not Voting—1

Gast

In The Chair: President

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

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

The Senate agreed to the full title.

Senate Bill No. 1201, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending section 3112a (MCL 324.3112a), as amended by 1998 PA 3.

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

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

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

Senator Rogers moved that the rule be suspended.

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

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

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

Roll Call No. 570

Yeas—37

Bennett	Goschka	McCotter	Shugars
Bullard	Gougeon	McManus	Sikkema
Byrum	Hammerstrom	Miller	Smith, A.
Cherry	Hart	Murphy	Smith, V.
DeBeaussaert	Hoffman	North	Steil
DeGrow	Jaye	Peters	Stille
Dingell	Johnson	Rogers	Van Regenmorter
Dunaskiss	Koivisto	Schuette	Vaughn
Emerson	Leland	Schwarz	Young
Emmons			

Nays—0

Excused—0

Not Voting—1

Gast

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor.
The Senate agreed to the full title.
The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Senators Peters, DeBeaussaert and Miller moved that they be named co-sponsors of the following bill:
Senate Bill No. 1201
The motion prevailed.

Senate Bill No. 1209, entitled

A bill 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 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 repeal acts and parts of acts; and to provide penalties for the violation of this act," by amending sections 102, 224, 240, and 2213 (MCL 500.102, 500.224, 500.240, and 500.2213), section 224 as amended by 1998 PA 121, section 240 as amended by 1987 PA 261, and section 2213 as added by 1996 PA 517, and by adding chapter 35; and to repeal acts and parts of acts.

The House of Representatives has concurred in the Senate amendments to the House amendments.
The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Senate Bill No. 757, entitled

A bill to amend 1982 PA 295, entitled "Support and parenting time enforcement act," by amending sections 31 and 32 (MCL 552.631 and 552.632), as amended by 1996 PA 301.

The House of Representatives has substituted (H-2) the bill.

The House of Representatives has passed the bill as substituted (H-2), ordered that it be given immediate effect and amended the title to read as follows:

A bill to amend 1982 PA 295, entitled "An act to provide for and to supplement statutes that provide for the enforcement of support, health care, and parenting time orders with respect to divorce, separate maintenance, paternity, child custody, and spouse support; to prescribe certain provisions of those orders; to prescribe the powers and duties of the circuit court and friend of the court; to prescribe certain duties of certain employers and other sources of income; to provide for penalties and remedies; and to repeal acts and parts of acts," by amending sections 31 and 32 (MCL 552.631 and 552.632), section 31 as amended by 1996 PA 301 and section 32 as amended by 1999 PA 160.

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

Senator Rogers moved that the rule be suspended.

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

The question being on concurring in the substitute made to the bill by the House,
The substitute was not concurred in, a majority of the members serving not voting therefor, as follows:

Roll Call No. 571**Yeas—0****Nays—38**

Bennett	Gast	McCotter	Shugars
Bullard	Goschka	McManus	Sikkema
Byrum	Gougeon	Miller	Smith, A.
Cherry	Hammerstrom	Murphy	Smith, V.
DeBeaussaert	Hart	North	Steil
DeGrow	Hoffman	Peters	Stille
Dingell	Jaye	Rogers	Van Regenmorter
Dunaskiss	Johnson	Schuetten	Vaughn
Emerson	Koivisto	Schwarz	Young
Emmons	Leland		

Excused—0**Not Voting—0**

In The Chair: President

Senate Bill No. 694, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 2006 (MCL 500.2006).

The House of Representatives has appointed Reps. Law, Perricone and Schauer as conferees to join with Senators Schuetten, DeGrow and Murphy.

The bill was referred to the Conference Committee on June 16, 2000.

By unanimous consent the Senate proceeded to consideration of the following bill:

Senate Bill No. 661, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," (MCL 257.1 to 257.923) by amending the title, as amended by 1991 PA 98, and by adding section 710g.

(For text of amendment, see Senate Journal No. 56, p. 1288.)

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

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

Roll Call No. 572**Yeas—37**

Bennett	Goschka	McCotter	Shugars
Bullard	Gougeon	McManus	Sikkema
Byrum	Hammerstrom	Miller	Smith, A.
Cherry	Hart	Murphy	Smith, V.
DeBeaussaert	Hoffman	North	Steil
DeGrow	Jaye	Peters	Stille
Dingell	Johnson	Rogers	Van Regenmorter
Dunaskiss	Koivisto	Schuetten	Vaughn
Emerson	Leland	Schwarz	Young
Emmons			

Nays—0

Excused—0

Not Voting—1

Gast

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor. The Senate agreed to the full title. The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

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

The following bill was announced:

House Bill No. 4007, entitled

A bill to amend 1974 PA 369, entitled “An act to regulate the business of conducting a driver training school; to require licenses in relation thereto; to prescribe certain fees; to prescribe the powers and duties of certain persons and state departments; and to prescribe remedies and penalties,” by amending sections 5 and 5b (MCL 256.605 and 256.605b), section 5 as amended and section 5b as added by 1998 PA 11.

Senator Rogers moved that rule 3.311 be suspended to permit reconsideration of the vote by which the bill was passed.

The motion prevailed, a majority of the members serving voting therefor. Senator Rogers moved to reconsider the vote by which the bill was passed.

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

The question being on the passage of the bill,

Senator Bullard offered the following amendments:

1. Amend page 1, line 1, after “(1)” by striking out “SUBJECT TO SUBSECTION (6), A” and inserting “A”.
2. Amend page 4, following line 2, by striking out all of subsection (6).

The amendments were adopted, a majority of the members serving voting therefor.

The question being on the passage of the bill,

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

Roll Call No. 573

Yeas—37

Bennett	Goschka	McCotter	Shugars
Bullard	Gougeon	McManus	Sikkema
Byrum	Hammerstrom	Miller	Smith, A.
Cherry	Hart	Murphy	Smith, V.
DeBeaussaert	Hoffman	North	Steil
DeGrow	Jaye	Peters	Stille
Dingell	Johnson	Rogers	Van Regenmorter
Dunaskiss	Koivisto	Schuette	Vaughn
Emmons	Leland	Schwarz	Young
Gast			

Nays—0

Excused—0

Not Voting—1

Emerson

In The Chair: President

The Senate agreed to the title of the bill.

Senator Rogers moved that consideration of the following bill be postponed temporarily:

House Bill No. 5766

The motion prevailed.

By unanimous consent the Senate proceeded to consideration of the following bill:

House Bill No. 5740, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," by amending section 1233 (MCL 380.1233), as amended by 1995 PA 289.

The above bill was read a third time.

The question being on the passage of the bill,

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

Roll Call No. 574

Yeas—38

Bennett	Gast	McCotter	Shugars
Bullard	Goschka	McManus	Sikkema
Byrum	Gougeon	Miller	Smith, A.
Cherry	Hammerstrom	Murphy	Smith, V.
DeBeaussaert	Hart	North	Steil
DeGrow	Hoffman	Peters	Stille
Dingell	Jaye	Rogers	Van Regenmorter
Dunaskiss	Johnson	Schuette	Vaughn
Emerson	Koivisto	Schwarz	Young
Emmons	Leland		

Nays—0

Excused—0

Not Voting—0

In The Chair: President

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

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

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

"An act to provide 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, and intermediate school districts; to prescribe rights, powers, duties, and privileges of schools, school districts, public school academies, and intermediate school districts; to provide for the regulation of school teachers and certain other school employees; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts of acts;”.

The Senate agreed to the full title.

Recess

Senator Rogers moved that the Senate recess subject to the call of the President.
The motion prevailed, the time being 12:29 p.m.

12:58 p.m.

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

By unanimous consent the Senate proceeded to the order of
General Orders

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

The motion prevailed, and the President pro tempore, Senator Schwarz, designated Senator Young as Chairperson.

After some time spent therein, the Committee arose; and, the President pro tempore, Senator Schwarz, having resumed the Chair, the Committee reported back to the Senate, favorably and with amendment, the following bill:

House Bill No. 5690, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” (MCL 324.101 to 324.90106) by adding sections 32610 and 32611.

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

1. Amend page 2, line 23, after “TO,” by inserting “THE PREVENTION AND MANAGEMENT OF NON-NATIVE SPECIES;”.

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

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

House Bill No. 5691, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending sections 32501, 32502, 32503, 32504, 32505, 32510, 32511, 32512, 32513, 32514, and 32515 (MCL 324.32501, 324.32502, 324.32503, 324.32504, 324.32505, 324.32510, 324.32511, 324.32512, 324.32513, 324.32514, and 324.32515), sections 32501, 32502, 32503, 32504, 32505, 32510, 32511, 32512, 32514, and 32515 as added by 1995 PA 59 and section 32513 as amended by 1999 PA 106, and by adding section 32510a and part 326.

Substitute (S-2).

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

Recess

Senator Rogers moved that the Senate recess until 2:30 p.m.
The motion prevailed, the time being 1:06 p.m.

The Senate reconvened at the expiration of the recess and was called to order by the President, Lieutenant Governor Posthumus.

Recess

Senator Rogers moved that the Senate recess subject to the call of the President.
The motion prevailed, the time being 2:32 p.m.

2:46 p.m.

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

By unanimous consent the Senate returned to the order of

Motions and Communications

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

House Bill No. 5721

On which motion Senator V. Smith requested the yeas and nays.

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

The motion prevailed, a majority of the members serving voting therefor, as follows:

Roll Call No. 575**Yeas—24**

Bennett	Gast	Johnson	Schwarz
Bullard	Goschka	McCotter	Shugars
Byrum	Gougeon	McManus	Sikkema
DeGrow	Hammerstrom	North	Steil
Dunaskiss	Hoffman	Rogers	Stille
Emmons	Jaye	Schuette	Van Regenmorter

Nays—11

Cherry	Hart	Miller	Smith, V.
DeBeaussaert	Koivisto	Peters	Young
Dingell	Leland	Smith, A.	

Excused—0**Not Voting—3**

Emerson	Murphy	Vaughn
---------	--------	--------

In The Chair: President

Senator V. Smith moved that Senators Murphy, Emerson and Vaughn be temporarily excused from the balance of today's session.

The motion prevailed.

By unanimous consent the Senate returned to the order of
General Orders

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

The motion prevailed, and the President, Lieutenant Governor Posthumus, designated Senator Young as Chairperson.

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

House Bill No. 5721, entitled

A bill to amend 1991 PA 179, entitled "Michigan telecommunications act," by amending sections 101, 103, 201, 203, 203a, 213, 302, 303, 304, 310, 312, 502, 503, 506, and 601 (MCL 484.2101, 484.2103, 484.2201, 484.2203, 484.2203a, 484.2213, 484.2302, 484.2303, 484.2304, 484.2310, 484.2312, 484.2502, 484.2503, 484.2506, and 484.2601), sections 101, 203, 213, 303, 304, 310, 312, and 601 as amended and sections 203a, 502, and 503 as added by 1995 PA 216 and section 506 as added by 1998 PA 259, and by adding sections 214, 316a, 507, and 701; and to repeal acts and parts of acts.

Substitute (S-14).

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

1. Amend page 17, line 15, after "government" by striking out "AS OF MAY 1, 2000".
2. Amend page 17, line 16, after "reasonable." by inserting "IN NO EVENT MAY END-USER OR SUBSCRIBER LINE CHARGES EXCEED THE RATES ALLOWED FOR THE SAME INTERSTATE SERVICES BY THE FEDERAL GOVERNMENT AS OF MAY 1, 2000.".
3. Amend page 18, line 19, after "CHARGES" by striking out "ITS CUSTOMERS" and inserting "END-USERS".
4. Amend page 19, line 4, after "EXCHANGE" by striking out "CUSTOMERS" and inserting "END-USERS".
5. Amend page 19, line 4, after "THE" by striking out "CUSTOMER" and inserting "END-USER".
6. Amend page 19, line 8, by striking out all of subsection (4) and inserting:
 "(4) PROVIDERS OF BASIC LOCAL EXCHANGE SERVICE OR BASIC LOCAL EXCHANGE SERVICE AND TOLL SERVICE TO FEWER THAN 250,000 END-USERS IN THIS STATE ARE NOT SUBJECT TO SUBSECTIONS (1), (2), AND (3). THE RATES FOR INTRASTATE SUBSCRIBER LINE CHARGES OR END-USER LINE CHARGES FOR SUCH PROVIDERS SHALL NOT BE INCREASED EXCEPT AS APPROVED BY THE COMMISSION UNDER SECTION 203.".
7. Amend page 20, following line 5, by inserting:
 "(5) EXCEPT AS OTHERWISE APPROVED BY THE COMMISSION, A PROVIDER SHALL NOT CHARGE A MANDATORY MINIMUM MONTHLY OR MANDATORY FLAT-RATE CHARGE FOR TOLL CALLS EXCEPT IN CONNECTION WITH AN OPTIONAL DISCOUNT TOLL CALLING PLAN.".
8. Amend page 20, line 18, after "(2)" by striking out "NO LATER THAN JULY 1, 2001" and inserting "NO SOONER THAN JULY 1, 2002".
9. Amend page 20, line 21, after "INVESTIGATION" by striking out "NO LATER THAN DECEMBER 1, 2001" and inserting "NO SOONER THAN DECEMBER 1, 2002".
10. Amend page 22, following line 2, by inserting:
 "SEC. 322. (1) AS USED IN THIS SECTION:
 (A) "AFFILIATE" MEANS A PERSON WHO, DIRECTLY OR INDIRECTLY, OWNS OR CONTROLS, IS OWNED OR CONTROLLED BY, OR IS UNDER COMMON OWNERSHIP OR CONTROL WITH, ANOTHER PERSON. THE TERM "OWN" MEANS TO OWN AN EQUITY OR OTHER FINANCIAL INTEREST OF MORE THAN 10% OR ANY MANAGEMENT INTEREST.
 (B) "BROADBAND" MEANS OF A CAPABILITY IN EXCESS OF 144 KILOBITS PER SECOND.
 (C) "BROADBAND INTERNET ACCESS TRANSPORT SERVICES" MEANS THE BROADBAND TRANSMISSION OF DATA BETWEEN A USER AND HIS OR HER INTERNET SERVICE PROVIDER'S POINT OF INTERCONNECTION WITH THE BROADBAND INTERNET ACCESS TRANSPORT PROVIDER'S FACILITIES.
 (D) "INTERNET" MEANS COLLECTIVELY THE MYRIAD OF COMPUTER AND TELECOMMUNICATIONS FACILITIES, INCLUDING EQUIPMENT AND OPERATING SOFTWARE, THAT COMPRISE THE INTERCONNECTED WORLDWIDE NETWORK OF NETWORKS THAT EMPLOY THE TRANSMISSION CONTROL PROTOCOL/INTERNET PROTOCOL, OR ANY PREDECESSOR OR SUCCESSOR PROTOCOLS TO SUCH PROTOCOL, TO COMMUNICATE INFORMATION OF ALL KINDS BY WIRE OR RADIO.
 (E) "INTERNET SERVICE PROVIDER" MEANS A PERSON WHO PROVIDES A SERVICE THAT ENABLES USERS TO ACCESS CONTENT, INFORMATION, ELECTRONIC MAIL, OR OTHER SERVICES OFFERED OVER THE INTERNET.

(F) "WIRESLINE BROADBAND INTERNET ACCESS TRANSPORT PROVIDER" MEANS A PERSON WHO PROVIDES BROADBAND INTERNET ACCESS TRANSPORT SERVICES, BY AID OF WIRE, CABLE, OR OTHER LIKE CONNECTION, OVER FACILITIES OWNED BY IT OR UNDER ITS CONTROL FOR A FEE DIRECTLY OR INDIRECTLY TO THE PUBLIC. THE TERM ALSO INCLUDES AN INTERNET SERVICE PROVIDER WHO SELF-PROVIDES, OVER FACILITIES OWNED BY IT OR UNDER ITS CONTROL, THE WIRESLINE BROADBAND TRANSPORT OF ITS SERVICES BETWEEN ITSELF AND ITS USERS.

(2) THE COMMISSION SHALL STUDY WHETHER THE STATE SHOULD REQUIRE EACH WIRESLINE BROADBAND INTERNET ACCESS TRANSPORT PROVIDER WHO IS, OR IS AN AFFILIATE OF, AN INTERNET SERVICE PROVIDER TO PROVIDE ANY OTHER REQUESTING INTERNET SERVICE PROVIDER ACCESS TO ITS BROADBAND INTERNET ACCESS TRANSPORT SERVICES, UNBUNDLED FROM THE PROVISION OF CONTENT, ON RATES, TERMS, AND CONDITIONS THAT ARE AT LEAST AS FAVORABLE AS THOSE ON WHICH IT PROVIDES THE ACCESS TO ITSELF, TO ITS AFFILIATE, OR TO ANY OTHER PERSON.

(3) THE COMMISSION SHALL REPORT TO THE LEGISLATURE AND THE GOVERNOR NO LATER THAN JULY 1, 2001 ON ITS FINDINGS UNDER THIS SECTION."

11. Amend page 28, line 11, after "DECEMBER 31," by striking out "2003" and inserting "2005".

12. Amend page 28, line 25, after "EXCEPT" by striking out the balance of the line through "304(10)" on line 26 and inserting "AS ALLOWED BY SECTION 304(10) OR FOR SERVICES DETERMINED TO BE COMPETITIVE UNDER SUBSECTION (3)".

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

During the Committee of the Whole, Senators Vaughn, Murphy and Emerson entered the Senate Chamber.

By unanimous consent the Senate returned to the order of

Motions and Communications

Senator Rogers moved that the rules be suspended and that the following bill, now on the order of Third Reading of Bills, be placed on its immediate passage:

House Bill No. 5721

The motion did not prevail, a majority of the members serving not voting therefor.

Senator Rogers requested the yeas and nays.

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

The motion prevailed, a majority of the members serving voting therefor, as follows:

Roll Call No. 576

Yeas—23

Bennett	Goschka	McCotter	Shugars
Bullard	Gougeon	McManus	Sikkema
Byrum	Hammerstrom	North	Steil
DeGrow	Hoffman	Rogers	Stille
Dunaskiss	Jaye	Schuette	Van Regenmorter
Gast	Johnson	Schwarz	

Nays—14

Cherry	Hart	Murphy	Smith, V.
DeBeaussaert	Koivisto	Peters	Vaughn
Dingell	Leland	Smith, A.	Young
Emerson	Miller		

Excused—0

Not Voting—1

Emmons

In The Chair: President

By unanimous consent the Senate returned to the order of

Third Reading of Bills

By unanimous consent the Senate proceeded to consideration of the following bill:

House Bill No. 5721, entitled

A bill to amend 1991 PA 179, entitled "Michigan telecommunications act," by amending sections 101, 103, 201, 203, 203a, 207, 213, 302, 303, 304, 310, 312, 502, 503, 506, 601, and 604 (MCL 484.2101, 484.2103, 484.2201, 484.2203, 484.2203a, 484.2207, 484.2213, 484.2302, 484.2303, 484.2304, 484.2310, 484.2312, 484.2502, 484.2503, 484.2506, 484.2601, and 484.2604), sections 101, 203, 207, 213, 303, 304, 310, 312, 601, and 604 as amended and sections 203a, 502, and 503 as added by 1995 PA 216 and section 506 as added by 1998 PA 259, and by adding sections 214, 316a, 322, 507, and 701; and to repeal acts and parts of acts.

The above bill was read a third time.

The question being on the passage of the bill,

Senator Jaye offered the following amendment:

1. Amend page 14, following line 2, by inserting:

"(5) TO THE EXTENT THAT IT IS TECHNICALLY AND ECONOMICALLY FEASIBLE, THE COMMISSION SHALL ISSUE ORDERS REQUIRING THE MODIFICATION OF ALL AREA CODE BOUNDARIES IN THIS STATE TO INSURE THAT THEY CONFORM TO COUNTY LINES."

The amendment was adopted, a majority of the members serving voting therefor.

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

The motion prevailed.

Senator McCotter's statement is as follows:

I just rise in support of the Jaye amendment. I come from a city that has three area codes at present and likely to get a fourth. I just cannot express enough my support of the Jaye amendment to bring some sanity to the process.

Senator Jaye offered the following amendment:

1. Amend page 17, following line 8, by inserting:

"(11) A CALL MADE TO A LOCAL CALLING AREA ADJACENT TO THE CALLER'S LOCAL CALLING AREA SHALL BE CONSIDERED A LOCAL CALL AND SHALL BE BILLED AS A LOCAL CALL."

The amendment was adopted, a majority of the members serving voting therefor.

Senator Jaye offered the following amendment:

1. Amend page 12, following line 17, by inserting:

"SEC. 255. (1) A LOCAL UNIT OF GOVERNMENT SHALL EXERCISE ITS POWERS UNDER THIS ARTICLE IN A MANNER THAT IS COMPETITIVELY NEUTRAL AND NONDISCRIMINATORY AS TO ALL PROVIDERS. A TELECOMMUNICATIONS PROVIDER UNDER THIS ACT DOES NOT HAVE AND SHALL NOT EXERCISE ANY FRANCHISE RIGHTS FOR BASIC LOCAL EXCHANGE SERVICE GREATER THAN PROVIDED UNDER THIS ACT, FEDERAL LAW, OR THE CONSTITUTION OF THIS STATE.

(2) NO LATER THAN JANUARY 1, 2002, THE COMMISSION, IN COOPERATION WITH THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION, SHALL CONDUCT A REVIEW OF THE IMPACT OF POLICIES AND ORDINANCES OF LOCAL UNITS OF GOVERNMENT ON THE MICHIGAN INFORMATION TECHNOLOGY INFRASTRUCTURE AND SHALL SUBMIT A REPORT TO THE GOVERNOR AND THE LEGISLATURE. THE REPORT SHALL IDENTIFY TECHNOLOGY READY COMMUNITIES THAT HAVE TAKEN STEPS TO ENHANCE EDUCATION, HEALTH, SAFETY, AND JOB CREATION THROUGH POLICIES THAT ENCOURAGE THE DEVELOPMENT OF ADVANCED TELECOMMUNICATION, INFORMATION, AND TECHNOLOGY SERVICES.

(3) A MUNICIPALITY SHALL NOT CHARGE A FEE GREATER THAN \$100.00 PER YEAR OR REQUIRE A PERMIT TO USE THE RIGHT-OF-WAY WITHIN ITS JURISDICTIONAL BOUNDARIES FROM A TELECOMMUNICATIONS PROVIDER OR RESELLER THAT IS USING THE PUBLIC RIGHT-OF-WAY OF ANOTHER UNIT OF GOVERNMENT OR PRIVATE RIGHT-OF-WAY OF A NONGOVERNMENTAL PERSON.”.

The amendment was adopted, a majority of the members serving voting therefor.

Senator Cherry offered the following substitute:

Substitute (S-16).

The question being on the adoption of the substitute,

Senator V. Smith requested the yeas and nays.

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

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

Roll Call No. 577

Yeas—19

Byrum	Goschka	Leland	Smith, A.
Cherry	Hart	McCotter	Smith, V.
DeBeaussaert	Jaye	Miller	Vaughn
Dingell	Johnson	Murphy	Young
Emerson	Koivisto	Peters	

Nays—17

Bennett	Gougeon	North	Sikkema
Bullard	Hammerstrom	Schuette	Steil
DeGrow	Hoffman	Schwarz	Stille
Emmons	McManus	Shugars	Van Regenmorter
Gast			

Excused—0

Not Voting—2

Dunaskiss	Rogers
-----------	--------

In The Chair: President

Senator Rogers offered the following amendments:

1. Amend page 18, line 15, after “(1)” by striking out “EXCEPT AS PROVIDED UNDER SUBSECTION (4),” and inserting “INTRASTATE SUBSCRIBER LINE CHARGES OR END-USER LINE CHARGES SHALL BE SET BY THE COMMISSION.”.

2. Amend page 18, line 18, after the first “THE” by striking out the balance of the line through “CHARGES” on line 19 and inserting “REVENUE THE PROVIDER RECEIVES FROM”.

The amendments were not adopted, a majority of the members serving not voting therefor.

Senator Rogers requested the yeas and nays.

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

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

Roll Call No. 578

Yeas—38

Bennett	Gast	McCotter	Shugars
Bullard	Goschka	McManus	Sikkema

Byrum	Gougeon	Miller	Smith, A.
Cherry	Hammerstrom	Murphy	Smith, V.
DeBeaussaert	Hart	North	Steil
DeGrow	Hoffman	Peters	Stille
Dingell	Jaye	Rogers	Van Regenmorter
Dunaskiss	Johnson	Schuette	Vaughn
Emerson	Koivisto	Schwarz	Young
Emmons	Leland		

Nays—0

Excused—0

Not Voting—0

In The Chair: President

Senator Hoffman moved to reconsider the vote by which the third amendment offered by Senator Jaye was adopted. The motion prevailed, a majority of the members serving voting therefor. The question being on the adoption of the amendment, The amendment was not adopted, a majority of the members serving not voting therefor.

Senator Rogers offered the following amendment:

1. Amend page 22, following line 2, by inserting:

“(8) A PROVIDER OF COMMERCIAL MOBILE RADIO SERVICE IS NOT REQUIRED TO CONTRIBUTE TO THE UNIVERSAL SERVICE FUND IF CREATED UNDER THIS SECTION.”.

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

Senator Rogers offered the following amendment:

1. Amend page 22, following line 2, by inserting:

“(8) THIS SECTION DOES NOT APPLY IF AN INTERSTATE UNIVERSAL SERVICE FUND EXISTS ON THE FEDERAL LEVEL.”.

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

Senator Rogers requested the yeas and nays.

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

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

Roll Call No. 579

Yeas—26

Bennett	Gast	Miller	Smith, V.
Bullard	Goschka	Murphy	Steil
Byrum	Hart	Peters	Stille
Cherry	Jaye	Rogers	Van Regenmorter
DeBeaussaert	Johnson	Sikkema	Vaughn
Dingell	Leland	Smith, A.	Young
Emerson	McCotter		

Nays—12

DeGrow	Gougeon	Koivisto	Schuette
Dunaskiss	Hammerstrom	McManus	Schwarz
Emmons	Hoffman	North	Shugars

Excused—0

Not Voting—0

In The Chair: President

Senator Dunaskiss moved to reconsider the vote by which the amendment was adopted.
The motion prevailed, a majority of the members serving voting therefor.
The question being on the adoption of the amendment,
Senator V. Smith requested the yeas and nays.
The yeas and nays were ordered, 1/5 of the members present voting therefor.
The amendment was adopted, a majority of the members serving voting therefor, as follows:

Roll Call No. 580

Yeas—27

Bennett	Gast	Miller	Smith, V.
Bullard	Goschka	Murphy	Steil
Byrum	Hart	Peters	Stille
Cherry	Jaye	Rogers	Van Regenmorter
DeBeaussaert	Johnson	Schwarz	Vaughn
Dingell	Leland	Sikkema	Young
Emerson	McCotter	Smith, A.	

Nays—11

DeGrow	Gougeon	Koivisto	Schuette
Dunaskiss	Hammerstrom	McManus	Shugars
Emmons	Hoffman	North	

Excused—0

Not Voting—0

In The Chair: President

Senators Rogers and Steil offered the following amendments:

1. Amend page 17, line 11, after “PROVIDED” by striking out “BY SECTION 310A” and inserting “UNDER SUBSECTION (7)”.

2. Amend page 18, following line 14, by inserting:

“(7) A PROVIDED OF BASIC LOCAL EXCHANGE SERVICE SHALL NOT ASSESS OR IMPOSE ON END-USERS AN INTRASTATE SUBSCRIBER LINE CHARGE OR END-USER LINE CHARGE.

(8) THIS SECTION SHALL NOT APPLY TO BASIC LOCAL EXCHANGE PROVIDERS THAT HAVE 250,000 OR FEWER CUSTOMERS IN THIS STATE.”.

3. Amend page 18, line 15, by striking out all of section 310A.

The question being on the adoption of the amendments,
Senator Steil requested the yeas and nays.

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

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

Roll Call No. 581**Yeas—25**

Bennett	Hammerstrom	North	Sikkema
Bullard	Hart	Peters	Smith, V.
Byrum	Jaye	Rogers	Steil
DeBeussaert	Koivisto	Schuette	Stille
Dingell	Miller	Schwarz	Van Regenmorter
Emerson	Murphy	Shugars	Vaughn
Goschka			

Nays—10

Cherry	Gast	McCotter	Smith, A.
DeGrow	Gougeon	McManus	Young
Dunaskiss	Leland		

Excused—0**Not Voting—3**

Emmons	Hoffman	Johnson
--------	---------	---------

In The Chair: President

Protests

Senators Cherry and Dunaskiss, under their constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the amendments offered by Senators Rogers and Steil to House Bill No. 5721.

Senator Cherry's statement is as follows:

I voted "no" on the previous amendment because, as the language was crafted, the possibility existed simply that we'd be shifting who would be imposing the state access charge. Currently, it's imposed by the local phone company. The possibility exists that after this change takes place, as contemplated by the previous amendment, it could be imposed by the law as providers. So, on that basis, I voted "no."

Senator Dunaskiss moved that the statements he made during the discussion of the amendments be printed as his reasons for voting "no."

The motion prevailed.

Senator Dunaskiss' first statement is as follows:

Certainly it sounds good to say we should eliminate a fund; let's save the ratepayers \$3.62 or \$3.25. But this all started back when the Governor said, "We're going to give you a 5 percent rate cut." And what was the 5 percent rate cut for? Well, was it of a return by a cost study? No. But it sounded good.

When we did electric, the companies had a chance to recoup this. In this legislation, they don't. If we want to eliminate the fund, maybe it is good public policy. Maybe we should make sure that the Public Service Commission has the right to look at it and reduce it. But just to say we're going to eliminate this fund without having the people we're empowering to do that is not good public policy. I urge defeat of the amendment.

Senator Dunaskiss' second statement is as follows:

In response to the Senator from the 10th District, it's a very legitimate question. We have to look at the entire package of what are the various different fees being charged. The Public Service Commission went through the process recently of looking at the rates, and in fact, many of the small companies in the various different districts had raised the rates to make sure that they were at the right cost for providing the service.

So if you look at other states, let's make sure you're looking at all their other access charges, and it's apples to apples.

Senator Schuette offered the following amendment:

1. Amend page 18, following line 14, following subsection (8) by inserting:

“(9) AFTER NOTICE AND HEARING, THE COMMISSION SHALL DETERMINE WHAT AMOUNT, IF ANY, OF THE PREVIOUSLY ASSESSED INTRASTATE SUBSCRIBER LINE CHARGE OR END-USER LINE CHARGE IS JUST AND REASONABLE. EXCEPT FOR AN AMOUNT EQUAL TO 5% OF THE RATES THE PROVIDER CHARGED ITS CUSTOMERS FOR NONCOMPETITIVE SERVICES, ANY PORTION OF THE LINE CHARGES FOUND TO BE JUST AND REASONABLE MAY BE RECOVERED BY THE PROVIDER IN A MANNER DETERMINED BY THE COMMISSION.”.

The question being on the adoption of the amendment,
Senator Steil requested the yeas and nays.

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

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

Roll Call No. 582

Yeas—10

Bullard	Gougeon	Schuette	Sikkema
DeGrow	Johnson	Schwarz	Smith, A.
Dunaskiss	McManus		

Nays—26

Bennett	Goschka	McCotter	Shugars
Byrum	Hammerstrom	Miller	Steil
DeBeaussaert	Hart	Murphy	Stille
Dingell	Hoffman	North	Van Regenmorter
Emerson	Jaye	Peters	Vaughn
Emmons	Koivisto	Rogers	Young
Gast	Leland		

Excused—0

Not Voting—2

Cherry	Smith, V.
--------	-----------

In The Chair: President

Senator North offered the following amendment:

1. Amend page 22, following line 2, subsection (8), after “LEVEL” by inserting “UNLESS OTHERWISE APPROVED BY THE COMMISSION”.

The question being on the adoption of the amendment,
Senator Dunaskiss requested the yeas and nays.

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

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

Roll Call No. 583

Yeas—19

Bennett	Gougeon	North	Sikkema
DeGrow	Hammerstrom	Rogers	Steil

Emmons
Gast
Goschka

Hoffman
Koivisto
McManus

Schuette
Schwarz
Shugars

Stille
Van Regenmorter

Nays—17

Bullard
Byrum
Cherry
DeBeaussaert
Dingell

Hart
Jaye
Johnson
Leland

McCotter
Miller
Murphy
Peters

Smith, A.
Smith, V.
Vaughn
Young

Excused—0

Not Voting—2

Dunaskiss

Emerson

In The Chair: President

Senator North moved to reconsider the vote by which the amendment was not adopted.
The motion prevailed.
The question being on the adoption of the amendment,
The amendment was adopted, a majority of the members serving voting therefor.

Senator Steil offered the following amendment:

1. Amend page 18, following line 14, by inserting:

“(9) ALL ACCESS SERVICE RATES AND CHARGES, BY WHATEVER NAME, SET BY A PROVIDER, SHALL BE JUST AND REASONABLE. A COMPLAINT ARISING UNDER THIS SECTION SHALL BE DETERMINED BY THE COMMISSION UNDER SECTION 203.”.

The question being on the adoption of the amendment,

Senator Dunaskiss moved that further consideration of the amendment be postponed temporarily.

The motion prevailed.

Recess

Senator Rogers moved that the Senate recess subject to the call of the President.
The motion prevailed, the time being 4:51 p.m.

4:54 p.m.

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

By unanimous consent the Senate returned to consideration of the amendment offered by Senator Steil.

The question being on the adoption of the amendment,

Senator Steil withdrew the amendment.

The question being on the passage of the bill,

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

Roll Call No. 584**Yeas—21**

Bennett	Goschka	McManus	Shugars
Bullard	Hoffman	North	Sikkema
Byrum	Jaye	Rogers	Steil
DeGrow	Johnson	Schuetz	Stille
Dunaskiss	McCotter	Schwarz	Van Regenmorter
Gast			

Nays—17

Cherry	Gougeon	Leland	Smith, A.
DeBeaussaert	Hammerstrom	Miller	Smith, V.
Dingell	Hart	Murphy	Vaughn
Emerson	Koivisto	Peters	Young
Emmons			

Excused—0**Not Voting—0**

In The Chair: President

Senator Rogers moved that the bill be given immediate effect.
 The motion did not prevail, 2/3 of the members serving not voting therefor.
 Senator Rogers requested the yeas and nays.
 The yeas and nays were ordered, 1/5 of the members present voting therefor.
 The motion prevailed, 2/3 of the members serving voting therefor, as follows:

Roll Call No. 585**Yeas—26**

Bennett	Gast	McCotter	Shugars
Bullard	Goschka	McManus	Sikkema
Byrum	Gougeon	North	Smith, V.
Cherry	Hammerstrom	Rogers	Steil
DeGrow	Hoffman	Schuetz	Stille
Dunaskiss	Jaye	Schwarz	Van Regenmorter
Emerson	Koivisto		

Nays—10

DeBeaussaert	Leland	Peters	Vaughn
Dingell	Miller	Smith, A.	Young
Hart	Murphy		

Excused—0

Not Voting—2

Emmons

Johnson

In The Chair: President

Senator Schuette offered to amend the title as follows:

A bill to amend 1991 PA 179, entitled “An act to regulate and insure the availability of certain telecommunication services; to prescribe the powers and duties of certain state agencies and officials; to prescribe penalties; to repeal certain acts and parts of acts; and to repeal this act on a specific date,” by amending sections 101, 103, 201, 203, 203a, 207, 213, 302, 303, 304, 310, 312, 502, 503, 506, 601, and 604 (MCL 484.2101, 484.2103, 484.2201, 484.2203, 484.2203a, 484.2207, 484.2213, 484.2302, 484.2303, 484.2304, 484.2310, 484.2312, 484.2502, 484.2503, 484.2506, 484.2601, and 484.2604), sections 101, 203, 207, 213, 303, 304, 310, 312, 601, and 604 as amended and sections 203a, 502, and 503 as added by 1995 PA 216 and section 506 as added by 1998 PA 259, and by adding sections 214, 316a, 322, 507, and 701; and to repeal acts and parts of acts.

The amendment to the title was adopted.

The Senate agreed to the title as amended.

Protests

Senators Cherry, Emmons, Hart, Miller and Hammerstrom, under their constitutional right of protest (Art. 4, Sec. 18), protested against the passage of House Bill No. 5721.

Senator Cherry moved that the statement he made during the discussion of the bill be printed as his reasons for voting “no.”

The motion prevailed.

Senator Cherry’s statement is as follows:

I rise in opposition of House Bill No. 5721. I think that the tenor of the debate here on amendments is a cue as to why I’m opposed to this as we’ve walked our way through several amendments. What we’ve heard was we want to do this amendment to lower rates here, and then this amendment over here, but we made a mistake, and we want to undo it. It’s just like a shell game in which ultimately you’ve got to guess where the rate relief is. In fact, the only one who even knows is the PSC.

Now, ultimately I had offered a substitute that would have provided a specific 10 percent cut and would have made sure that no end-user would have paid the state access fee. There was no doubt about it. It was clear. It was specific. Now we’re not quite certain what one amendment did versus another and where the relief is going to come from or whether it’s going to be undone by another amendment. I think our actions should be clearer than that.

Additionally, I think that we had a stronger slamming and cramming provision in ensuring that penalties that would have been levied for those that slam or cram would have gone back to those who got victimized by that. You know, ultimately, when we’re victimized, we wind up paying a higher fee, and consequently, any relief that’s given ought to go back to those who were victimized. This substitute does not accomplish that.

I think the biggest problem with this sub ultimately that’s before us is that really the rate cut here has no teeth. We talk about the shell game, but what really is hidden in this bill is a provision that says that this rate relief may only last 30 days—only 30 days. At that point, the PSC may make a determination that the status quo is hunky-dory, that in fact, life can continue as it always has. So, in some respects, we’re making promises but no guarantee on delivery.

You know, I think another thing that kind of falls into that is that provision in the previous act that said that phone companies could continue to raise rates by the rate of inflation minus 1 percent is still here. It’s still in this provision. So, quite frankly, that provision could undo the rate cuts we put in place.

But what’s important is regulating the future, and one of those issues that I’ve heard a lot about personally about the future is area codes. Now there were some amendments offered on area codes, but ultimately, unless we get on top of that problem, we’re going to see a mushrooming of area codes in the state. The PSC has not acted to preserve area codes or to make sure that the process unfolds in a reasonable way because they believed that the telecommunications act did not give them the authority to do that. Quite frankly, this substitute that we’re about to vote on, or the bill that we’re about to vote on, doesn’t do that either.

And so I think there’s a number of points in which this bill is deficient, and when it’s all said and done—when this bill’s passed by the Senate; when it’s concurred in by the House; when it goes to the Governor for his signature—believe you me, we are going to see rates go up. Rates will go up. And you know who will be blamed? We here in this

body will be blamed because we passed an act that allowed it to happen. Make no doubt about it. When you see literally the millions of dollars that are spent on television advertising, it's pretty clear that someone stands to make a lot of money under this bill. No one makes money when the consumers pay less. They only make money when the consumer pays more. In fact, quite frankly, if you wanted to define competition, it would appear simply as the amount of TV ads, which is one sign of where there's competition in this state or not, because, believe you me, they have bought out television station after television station. They don't do that if they believe this legislation is going to send back money into the consumers' pockets. They do it because they know that money is going to wind up in their pocket. And that's the best reason for voting "no" on this bill.

Senator Emmons' statement, in which Senator Hammerstrom concurred, is as follows:

I voted "no" on this bill because I do believe that this will not bring the competition we need to the local phone service. We have delayed for a while and made some minor changes that pretend to give the customer a break. But the real break is only in competition, and this bill, in my opinion, does not achieve that goal.

Senator Hart's statement is as follows:

I strongly believe that the other side of the aisle is circumventing the democratic process by leaving all of the decision-making in the hands of the Public Service Commission. The Republican plan gives the Public Service Commission too much power. If the Legislature is going to grant them so much power over the state's consumer protection and economic well-being, they should be elected by the people of this state. The current process of appointing the members of the Public Service Commission leaves the members of this commission too vulnerable to the influence of the special interests. That is exactly who I am talking about. For the good of the consumers of Michigan, we should be holding Public Service Commission members accountable to the people they serve, not the Governor's special interest.

Senator Miller's statement is as follows:

Today was a vote for a very, very important piece of legislation that is going to affect millions of people in this state for the next years to come—at least three or four years before the PSC has their hands in this. I'd like to strongly agree and echo the comments of Senator Emmons from the 23rd District. I think that she very, very professionally talked about the real meat of this problem of a battle between the giants in the telecommunications field. I feel that the shortcomings are going to be with the consumer. I'd like to know how you're going to go home and be able to tell your constituents and your neighbors and your family members who use that telephone what type of true relief they get when that bill comes every month. I don't think you'll have to be a CPA to figure out the true charges and the true relief on it.

I think again the money that was spent the past two weeks between the giants and who was right and who was wrong did not bring any true answers to this floor where I can go home and tell my constituents what we did for local relief, what we did for local area code relief, and what we did to provide true reduction in their phone bills. Plus, Mr. President, no one talked about the benefits of what the workers of this state have done in the area of providing relief for our telephone companies. Ameritech has 16,000 active workers, and they have 30,000 retirees. I think you leave them in the dark on this piece of legislation. I think there were some answers that needed to be given on this floor. I'm really appalled at some of the comments here where we totally neglected some of the answers.

The complications of this bill you're going to hear about from your neighbors, at the shopping centers, and from your friends when you go to church. When those bills continue to come every month, and consumers, your neighbors, and your constituents don't see any relief, they're going to wonder what goes on at this State Capitol.

That's why I voted "no." I think there's a tremendous amount of questions that went unanswered, and I think we hastily rushed this bill through here. We should have taken the time to debate this bill and talk about it here on the Senate floor, not in TV commercials, but right here, Mr. President, on the Senate floor. That's why I voted "no," and I'm going to be able to go home and tell my constituents that I don't think they got true relief from their telephone companies on this piece of legislation.

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

The motion prevailed.

Senator Schuette's first statement is as follows:

With all due respect to the maker of the amendment, I would urge we not adopt this amendment. If a universal service fund is created by the Public Service Commission in a deliberative and thoughtful way, then all those who are part of the telecommunication industry ought to be part of it. If we start exempting certain aspects to telecommunications, the thrust and import of a universal service fund—particularly in more remote, rural, sparsely populated, and even certain urban areas—I think is eroded. I would urge that we not adopt this amendment.

Senator Schuette's second statement is as follows:

This amendment is consistent with the committee substitute, and as we all know, the committee substitute and the latest amendment that we just adopted really are driven by the importance that many of us feel that the access charge needs to be eviscerated, eliminated, chopped off at the knees, and buried so that consumers across the state of Michigan, when you get your bill on a monthly basis, you don't have that line charge that says \$3.28.

Now the Senate substitute, what we did is have the ability to zero-out and eliminate the EUCL. Remember, the Senate substitute with respect to the access charge, we had the ability to zero it out. What we first did in the Senate substitute is take the 5 percent rate cut that the House did, gauge that amount, and said, "Listen, we need to make sure that we see immediate relief on a customer's bill." So we took the amount of that 5 percent rate cut and said, "Hey, let's take it off the EUCL immediately (the access charge), and then give the PSC the ability to eliminate the rest."

This amendment, what it does is maintains the elimination of the EUCL cut that Senator Rogers offered. It takes the 5 percent that was first done. It has SBC or Ameritech so they would absorb the 5 percent reduction. Then the remainder, just like the Senate substitute, the EUCL is completely eliminated, and the PSC makes the determination of where those cuts will be absorbed and by whom, not the consumer. The consumer in every event is protected, and these charges will not be passed on to the consumer.

So all this amendment does is maintain the Rogers amendment, which eliminates the EUCL and the apportionment of how these reductions are absorbed. That first portion equivalent to the Senate substitute that had that gauged as to the 5 percent rate reduction in the House comes off the top as absorbed by SBC, and the remainder is determined by the Public Service Commission. That's what this amendment does. It's consistent with our Senate bill, and it maintains the elimination automatically of the access charge. I'd urge adoption of this amendment.

Senator Schuette's third statement is as follows:

I want to make sure that everyone is clear on my position. In the previous amendment to eviscerate or zero-out the EUCL, I voted for that and have been advocating that since the commencement of this whole process. What my amendment does is maintain my intent and the author of the previous amendment that we chop the EUCL, the access charge, bury it, put it away, and eliminate that \$3.28 from the customer's bill. What this does do is make sure that, consistent with the Senate bill, we have that first portion of that access charge reduction. It is squarely fixed on your local carrier, whether that is GTE or Ameritech. Then the remainder of that the PSC in its judgment can handle it any way the PSC chooses, but you may not tack it on to the consumer. Let me repeat, you may not tack it on to the consumer.

So we have buried the access charge. We have given immediate rate relief to consumers. So the reduction that we are having here in this Senate bill is quicker, deeper reductions, which is so important for customers all across the state and consistent with this expanded PSC authority, which is part of the engine we're trying to drive to greater competition.

I'd urge adoption of this language which zeros-out the access charge and apportions that first reduction squarely on the backs of the local exchange. Then the remainder gets to be determined by the PSC, protecting the customer. I'd urge adoption of the amendment.

Senator Cherry's statement is as follows:

Today is the last day for a Senate Democratic staffperson. Deborah Ball Cornell is leaving our staff to pursue her medical degree. She has been with us since April 1989. She's been a hardworking, loyal Senate Democratic staffperson for over ten years. I think the fact that she's been willing to put up with us for that long says something about her. I can tell you, Mr. President, that she started out here as a health policy analyst. She's covered a number of issues for us and has done an outstanding job. We're going to miss her, but as she leaves, we want to express our appreciation by presenting Deb with a special tribute. On behalf of the Senate and the Senate Democratic Caucus, it is my pleasure to present her with that tribute.

Recess

Senator Rogers moved that the Senate recess until 7:15 p.m.

The motion prevailed, the time being 5:07 p.m.

The Senate reconvened at the expiration of the recess and was called to order by the President, Lieutenant Governor Posthumus.

Senator DeGrow moved to reconsider the vote by which the following bill was passed:

House Bill No. 5721, entitled

A bill to amend 1991 PA 179, entitled "Michigan telecommunications act," by amending sections 101, 103, 201, 203, 203a, 207, 213, 302, 303, 304, 310, 312, 502, 503, 506, 601, and 604 (MCL 484.2101, 484.2103, 484.2201, 484.2203,

484.2203a, 484.2207, 484.2213, 484.2302, 484.2303, 484.2304, 484.2310, 484.2312, 484.2502, 484.2503, 484.2506, 484.2601, and 484.2604), sections 101, 203, 207, 213, 303, 304, 310, 312, 601, and 604 as amended and sections 203a, 502, and 503 as added by 1995 PA 216 and section 506 as added by 1998 PA 259, and by adding sections 214, 316a, 322, 507, and 701; and to repeal acts and parts of acts.

The motion did not prevail, a majority of the members serving not voting therefor.

By unanimous consent the Senate returned to the order of

Motions and Communications

The following communications were received:

Department of State

Administrative Rules

Notices of Filing

June 6, 2000

In accordance with the provision 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 Office of Regulatory Reform, Legal Division filed at 3:25 p.m. this date, administrative rule (00-06-01) for the Department of Consumer and Industry Services, Director's Office, entitled "*Part 12. Variances*," effective 15 days hereafter.

June 6, 2000

In accordance with the provision 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 Office of Regulatory Reform, Legal Division filed at 3:27 p.m. this date, administrative rule (00-06-02) for the Department of Consumer and Industry Services, Director's Office, entitled "*Part 11. Recording and Reporting of Occupational Injuries and Illnesses*," effective 15 days hereafter.

June 6, 2000

In accordance with the provision 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 Office of Regulatory Reform, Legal Division filed at 3:29 p.m. this date, administrative rule (00-06-03) for the Department of Consumer and Industry Services, Director's Office, entitled "*Laundry Machinery and Operations, R 3405*," effective 15 days hereafter.

June 6, 2000

In accordance with the provision 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 Office of Regulatory Reform, Legal Division filed at 3:31 p.m. this date, administrative rule (00-06-04) for the Department of Consumer and Industry Services, Director's Office, entitled "*Laundry Machinery and Operations, R 5004*," effective 15 days hereafter.

Sincerely,

Candice S. Miller

Secretary of State

Elena L. Beasley, Manager

Office of the Great Seal

The communications were referred to the Secretary for record.

The Secretary announced that pursuant to rule 2.109 of the Standing Rules of the Senate, the following expense reports have been filed with the Secretary of the Senate for the quarter from January 1, 2000, through March 31, 2000, and are available in the Secretary's office during business hours for public inspection:

Committee

Appropriations

Banking and Financial Institutions

Economic Development, International Trade and Regulatory Affairs

Education

Families, Mental Health and Human Services

Farming, Agribusiness and Food Systems

Chairperson

Senator Harry Gast

Senator Glenn Steil

Senator Bill Schuette

Senator Loren Bennett

Senator Beverly Hammerstrom

Senator George McManus

Finance	Senator Joanne Emmons
Financial Services	Senator Bill Bullard
Government Operations	Senator Thaddeus McCotter
Health Policy	Senator Dale Shugars
Hunting, Fishing and Forestry	Senator Dave Jaye
Judiciary	Senator William Van Regenmorter
Local, Urban and State Affairs	Senator Thaddeus McCotter
Natural Resources and Environmental Affairs	Senator Ken Sikkema
Reapportionment	Senator Bill Schuette
Technology and Energy	Senator Mat Dunaskiss
Transportation and Tourism	Senator Bill Bullard
Appropriations Subcommittee on Department of Education	Senator Leon Stille
Appropriations Subcommittee on Higher Education	Senator John Schwarz
Appropriations Subcommittee on School Aid	Senator Leon Stille

The Secretary announced that the following House bills were received in the Senate and filed on Thursday, June 8:
House Bill Nos. 4392 5243 5672 5780 5854

The Secretary announced the enrollment printing and presentation to the Governor on Thursday, June 8, for his approval the following bill:

Enrolled Senate Bill No. 1274 at 4:42 p.m.

The Secretary announced the enrollment printing and presentation to the Governor on Wednesday, June 14, for his approval the following bills:

Enrolled Senate Bill No. 378 at 1:34 p.m.
Enrolled Senate Bill No. 597 at 1:36 p.m.
Enrolled Senate Bill No. 738 at 1:38 p.m.
Enrolled Senate Bill No. 796 at 1:40 p.m.
Enrolled Senate Bill No. 838 at 1:42 p.m.
Enrolled Senate Bill No. 1009 at 1:44 p.m.
Enrolled Senate Bill No. 1052 at 1:46 p.m.
Enrolled Senate Bill No. 1053 at 1:48 p.m.
Enrolled Senate Bill No. 1187 at 1:50 p.m.

The Secretary announced the enrollment printing and presentation to the Governor on Thursday, June 15, for his approval the following bills:

Enrolled Senate Bill No. 627 at 3:42 p.m.
Enrolled Senate Bill No. 709 at 3:44 p.m.
Enrolled Senate Bill No. 893 at 3:46 p.m.
Enrolled Senate Bill No. 894 at 3:48 p.m.
Enrolled Senate Bill No. 965 at 3:50 p.m.
Enrolled Senate Bill No. 1162 at 3:52 p.m.
Enrolled Senate Bill No. 1191 at 3:54 p.m.
Enrolled Senate Bill No. 1246 at 3:56 p.m.

The Secretary announced the enrollment printing and presentation to the Governor on Friday, June 16, for his approval the following bills:

Enrolled Senate Bill No. 538 at 4:00 p.m.
Enrolled Senate Bill No. 630 at 4:02 p.m.
Enrolled Senate Bill No. 718 at 4:04 p.m.
Enrolled Senate Bill No. 719 at 4:06 p.m.
Enrolled Senate Bill No. 936 at 4:08 p.m.
Enrolled Senate Bill No. 938 at 4:10 p.m.
Enrolled Senate Bill No. 1211 at 4:12 p.m.
Enrolled Senate Bill No. 1222 at 4:14 p.m.
Enrolled Senate Bill No. 1224 at 4:16 p.m.
Enrolled Senate Bill No. 1251 at 4:18 p.m.

Enrolled Senate Bill No. 1275 at 4:20 p.m.
Enrolled Senate Bill No. 705 at 4:22 p.m.
Enrolled Senate Bill No. 664 at 4:24 p.m.
Enrolled Senate Bill No. 966 at 4:26 p.m.

The Secretary announced the printing and placement in the members' files on Thursday, June 8, of:
Senate Bill Nos. 1304 1305 1306 1307 1308 1309
House Bill Nos. 5873 5874 5875

The Secretary announced the printing and placement in the members' files on Monday, June 12, of:
Senate Bill Nos. 1310 1311
House Bill Nos. 5876 5877 5878 5879 5880 5881 5882 5883 5884 5885 5886 5887
House Joint Resolution T

The Secretary announced that the Majority Leader has made the appointment of the following standing committees:
Economic Development, International Trade and Regulatory Affairs - Senator Steil replacing Senator Jaye as a member.

Families, Mental Health and Human Services - Senator Jaye removed as a member.

Financial Services - Senator Jaye removed as a member.

Hunting, Fishing and Forestry - Senator Hoffman (C); Senator Gast replacing Senator Jaye as a member.

The standing committee appointments were approved, a majority of the members serving voting therefor.

The following communication was received and read:
Office of the Senate Majority Leader

June 20, 2000

Pursuant to Senate Rule 1.105, I hereby appoint the following members to the conference committee on Senate Bill 757:
Senator Bullard (Chair)
Senator Hammerstrom
Senator Dingell

Sincerely,
Dan L. DeGrow
Senate Majority Leader

The communication was referred to the Secretary for record.

By unanimous consent the Senate returned to the order of
Conference Reports

Senator A. Smith moved that Senators Cherry, Miller, Vaughn and Byrum be temporarily excused from the balance of today's session.

The motion prevailed.

Senators Vaughn, Cherry and Miller entered the Senate Chamber.

Senator Stille submitted the following:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning
Senate Bill No. 1044, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 3, 6, 8, 11, 11f, 11g, 19, 20, 20j, 21b, 24, 26a, 31a, 31c, 31d, 32, 36, 36a, 39, 40, 41, 51a, 53a, 54, 56, 57, 61a, 62, 63, 67, 68, 74, 81, 91c, 94, 99, 101, 102, 104a, 105, 105b, 105c, 107, 147, 151, 152, and 163 (MCL 388.1603, 388.1606, 388.1608, 388.1611, 388.1611f, 388.1611g, 388.1619, 388.1620, 388.1620j, 388.1621b, 388.1624, 388.1626a, 388.1631a, 388.1631c, 388.1631d, 388.1632, 388.1636, 388.1636a, 388.1639, 388.1640, 388.1641, 388.1651a, 388.1653a, 388.1654, 388.1656, 388.1657, 388.1661a, 388.1662, 388.1663, 388.1667, 388.1668, 388.1674, 388.1681, 388.1691c, 388.1694, 388.1699, 388.1701, 388.1702, 388.1704a, 388.1705, 388.1705b, 388.1705c, 388.1707, 388.1747, 388.1751, 388.1752, and 388.1763), sections 6, 11, 11f, 11g, 20, 24, 26a, 31a, 31c, 36, 36a, 41, 51a, 53a, 54, 56, 57, 61a, 62, 63,

67, 68, 74, 81, 94, 99, 101, 104a, 105, 107, and 147 as amended and sections 20j, 31d, 32, and 105c as added by 1999 PA 119, sections 3 and 151 as amended by 1997 PA 93, sections 8 and 39 as amended by 1997 PA 142, sections 19, 21b, 102, and 163 as amended by 1996 PA 300, section 40 as amended by 1991 PA 118, section 91c as added by 1995 PA 130, section 105b as added by 1997 PA 24, and section 152 as amended by 1993 PA 175, and by adding sections 20l, 22a, 22b, 22c, 51c, 94a, 101b, and 108; and to repeal acts and parts of acts.

Recommends:

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

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 3, 6, 8, 11, 11f, 11g, 17b, 19, 20, 20j, 21b, 24, 25, 26a, 31a, 31d, 33, 37, 38, 39, 40, 41, 51a, 53a, 54, 56, 57, 61a, 62, 63, 67, 68, 74, 81, 91c, 94, 99, 101, 102, 105, 105b, 105c, 107, 147, 151, 152, and 163 (MCL 388.1603, 388.1606, 388.1608, 388.1611, 388.1611f, 388.1611g, 388.1617b, 388.1619, 388.1620, 388.1620j, 388.1621b, 388.1624, 388.1625, 388.1626a, 388.1631a, 388.1631d, 388.1633, 388.1637, 388.1638, 388.1639, 388.1640, 388.1641, 388.1651a, 388.1653a, 388.1654, 388.1656, 388.1657, 388.1661a, 388.1662, 388.1663, 388.1667, 388.1668, 388.1674, 388.1681, 388.1691c, 388.1694, 388.1699, 388.1701, 388.1702, 388.1705, 388.1705b, 388.1705c, 388.1707, 388.1747, 388.1751, 388.1752, and 388.1763), sections 3, 25, and 151 as amended by 1997 PA 93, sections 6, 11, 11f, 11g, 17b, 20, 24, 26a, 31a, 41, 51a, 53a, 54, 56, 57, 61a, 62, 63, 67, 68, 74, 81, 94, 99, 101, 105, 107, and 147 as amended and sections 20j, 31d, 33, and 105c as added by 1999 PA 119, sections 8 and 39 as amended by 1997 PA 142, sections 19, 21b, 37, 38, 102, and 163 as amended by 1996 PA 300, section 40 as amended by 1991 PA 118, section 91c as added by 1995 PA 130, section 105b as added by 1997 PA 24, and section 152 as amended by 1993 PA 175, and by adding sections 11j, 11k, 11l, 18b, 18c, 20k, 22a, 22b, 22c, 25b, 32a, 32b, 32c, 32d, 32e, 32f, 32g, 32h, 35, 51c, 94a, 95, 96, 97, 98, 98a, and 108; 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, 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) "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.

(4) "Department", EXCEPT IN SECTIONS 67, 68, 107, AND 108, means the department of education.

(5) "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, ~~and~~ 32F, 105, AND 105C, a public school academy. Except in sections 6(4), 6(6), 13, 20, ~~and~~ 22A, 105, AND 105C, district also includes a university school.

(6) "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.

(7) "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. Programs for emotionally impaired pupils 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, title VI of Public Law 91-230, 20 U.S.C. 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 pupil retention rate" means the proportion of pupils who have not dropped out of school in the immediately preceding school year and is equal to 1 minus the quotient of the number of pupils unaccounted for in the immediately preceding school year, as determined pursuant to subsection (3), divided by the pupils of the immediately preceding school year.

(3) "District pupil retention report" means a report of the number of pupils, excluding migrant and adult, in the district for the immediately preceding school year, adjusted for those pupils who have transferred into the district,

transferred out of the district, transferred to alternative programs, and have graduated, to determine the number of pupils who are unaccounted for. The number of pupils unaccounted for shall be calculated as determined by the department.

(4) "Membership", except as otherwise provided in this act, means for ~~1998-99 for a district, public school academy, university school, or intermediate district the sum of the product of .6 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 .4 times the final audited count from the supplemental count day for the immediately preceding school year. For 1999-2000, membership means~~ 1999-2000 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. ~~For~~ BEGINNING IN 2000-2001, membership means for a district, public school academy, university school, or intermediate district the sum of the product of .8 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 .2 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, ~~and the educating district is not in the same intermediate district as 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 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 education 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 career development, or participating in any successor of either of those 2 programs, shall not be counted in membership.

(n) If a pupil counted in membership in a public school academy 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, 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 ~~1284~~ ~~of the revised school code, MCL 380.1284~~ 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.

~~(s) For a district that has qualified currently migrant pupils enrolled in the district as of the pupil membership count day who were not counted in membership in the district on the supplemental count day for the immediately preceding school year, as determined by the department using the criteria used for eligibility for the migrant education program under the improving America's schools act of 1994, Public Law 103-382, 108 Stat. 3518, the number of those pupils counted in the district's membership is 3/4 of the number of those pupils counted on the pupil membership count day only.~~

(S) ~~(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) ~~(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, 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, 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 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, 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 1999-2000, 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. ~~For BEGINNING IN 2000-2001,~~ 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 .8 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 .2 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) FOR 2000-2001, 2001-2002, AND 2002-2003 ONLY, IF A DISTRICT'S MEMBERSHIP FOR A PARTICULAR FISCAL YEAR, AS OTHERWISE CALCULATED UNDER THIS SUBSECTION, WOULD BE LESS THAN 1,550 PUPILS, THE DISTRICT'S MEMBERSHIP FOR THAT FISCAL YEAR SHALL BE CONSIDERED TO BE 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 THAT FISCAL YEAR, AS OTHERWISE CALCULATED UNDER THIS SUBSECTION, PLUS THE DISTRICT'S MEMBERSHIP FOR EACH OF THE 2 IMMEDIATELY PRECEDING FISCAL YEARS, AND DIVIDING THE SUM OF THOSE 3 MEMBERSHIP FIGURES BY 3.

(ii) THE DISTRICT'S ACTUAL MEMBERSHIP AS OTHERWISE CALCULATED UNDER THIS SUBSECTION.

(5) "Public school academy" means a public 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 shall not be 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 but within the same intermediate district if the educating district enrolls nonresident pupils in accordance with section 105.

(f) A pupil enrolled in a district other than the pupil's district of residence if the pupil has been continuously enrolled in the educating district since a school year in which the pupil enrolled in the educating district under section 105 or 105c and in which the educating district enrolled nonresident pupils in accordance with section 105 or 105c.

(g) A nonresident 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 nonresident 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 ~~750.90~~ 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.

(h) A pupil enrolled in a ~~contiguous~~ district located in ~~another~~ A CONTIGUOUS intermediate district, as described in section 105c, if the educating district enrolls those nonresident pupils in accordance with section 105c.

(i) 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.

(j) A pupil enrolled in an alternative education program operated by a district other than his or her district of residence. ~~However, this subdivision does not apply until legislation is enacted to specify the policies for its implementation including the types of alternative education programs affected.~~ 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.

(K) A PUPIL ENROLLED IN THE MICHIGAN VIRTUAL HIGH SCHOOL, FOR THE PUPIL'S ENROLLMENT IN THE MICHIGAN VIRTUAL HIGH SCHOOL.

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.

(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.

(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. 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. In addition, 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. 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)~~ (K). 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) "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.

(19) "University school" means an instructional program operated by a public university under section 23 that meets the requirements of section 23.

Sec. 8. (1) In order to receive funds under this act, each district shall furnish to the department not later than December 1 of each year, on a form and in a manner prescribed by the department, the information requested by the department that is necessary for the preparation of the district pupil retention report defined in section 6(3).

(2) On the basis of a district's pupil retention report as defined in section 6(3), the department shall calculate an annual pupil dropout rate for each district. In addition, the department shall calculate an annual pupil dropout rate for the state in the same manner as that used to calculate the pupil dropout rate for a district. The department shall report all pupil dropout rates to the senate and house education committees and appropriations committees and the ~~department of management and budget~~ STATE BUDGET DIRECTOR not later than September 15 each year.

Sec. 11. (1) ~~For the fiscal year ending September 30, 1999, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of \$9,049,591,100.00 from the state school aid fund established by section 11 of article IX of the state constitution of 1963 and the sum of \$420,613,500.00 from the general fund. For the fiscal year ending September 30, 2000, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of \$9,590,537,700.00 \$9,623,215,800.00 from the state school aid fund established by section 11 of article IX of the state constitution of 1963 and the sum of \$420,613,500.00 from the general fund. For the fiscal year ending September 30, 2001, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of \$10,033,634,700.00 \$10,402,821,500.00 from the state school aid fund established by section 11 of article IX of the state constitution of 1963 and the sum of \$420,613,500.00 \$385,613,500.00 from the general fund. FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2002, THERE IS APPROPRIATED FOR THE PUBLIC SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION THE SUM OF \$11,192,489,800.00 FROM THE STATE SCHOOL AID FUND ESTABLISHED BY SECTION 11 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963 AND THE SUM OF \$205,613,500.00 FROM THE GENERAL FUND. FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2003, THERE IS APPROPRIATED FOR THE PUBLIC SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION THE SUM OF \$11,339,360,300.00 FROM THE STATE SCHOOL AID FUND ESTABLISHED BY SECTION 11 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963 AND THE SUM OF \$420,613,500.00 FROM THE GENERAL FUND. In addition, available federal funds are appropriated for 1998-99, for 1999-2000, and for 2000-2001 EACH OF THOSE FISCAL YEARS.~~

(2) The appropriations under this section shall be allocated as provided in this act. Money appropriated under this section from the general fund and from available federal funds 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 remain in the state school aid fund.

(3) If the maximum amount appropriated under this section and ~~sections SECTION 11f and 11g~~ 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, payments under sections 11f, 11g, ~~and~~ 22A, 31D, 51a(2), AND 51C shall be made in full and payments under each of the other sections of this act shall be prorated on an equal percentage basis as necessary to reflect the amount available for expenditure from the state school aid fund for that fiscal year. However, if the department of treasury determines that proration will be required under this subsection, 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) 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 STATE SCHOOL AID FUND.

Sec. 11f. (1) In addition to any other money appropriated under this act, there is appropriated from the state school aid fund an amount not to exceed \$32,000,000.00 each fiscal year ~~for the fiscal year ending September 30, 1999,~~ for the fiscal year ending September 30, 2000, for the fiscal year ending September 30, 2001, FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2002, FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2003, 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 appropriations 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, ~~have~~ 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 (8). 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 is 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 is 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, ~~have~~ 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; and for which the total amount listed in section 11h and paid under this section is less than \$75,000.00. The waiver resolution shall be in form and substance as required under subsection (8). The state treasurer is authorized to accept such a waiver resolution on behalf of this state. 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 shall be 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 subsection (1) or (2). 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, 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 appropriations under this section are from the money appropriated and transferred to the state school aid fund from the countercyclical budget and economic stabilization fund under section 353e(2) and (3) of the management and budget act, 1984 PA 431, MCL 18.1353e.

(8) 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.”

Sec. 11g. (1) ~~In addition to the appropriations under section 11f and any other money appropriated under this act, there is appropriated from the state school aid fund an amount not to exceed \$40,000,000.00 for the fiscal year ending September 30, 1999.~~ From the general fund money appropriated in section 11, there is allocated an amount not to exceed \$40,000,000.00 for the fiscal year ending September 30, 2000, for the fiscal year ending September 30, 2001, FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2002, FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2003, and for each succeeding fiscal year through the fiscal year ending September 30, 2013. Payments under this section will cease after September 30, 2013. These appropriations 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, ~~have~~ 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.

~~(7) The state school aid fund appropriation under this section for 1998-99 is from the money appropriated and transferred to the state school aid fund from the countercyclical budget and economic stabilization fund under section 353e(2) of the management and budget act, 1984 PA 431, MCL 18.1353e.~~

SEC. 11J. (1) IN ADDITION TO OTHER MONEY APPROPRIATED UNDER THIS ACT, THERE IS APPROPRIATED FROM THE STATE SCHOOL AID FUND THE AMOUNT OF \$50,000,000.00 FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2000. THIS MONEY SHALL BE TRANSFERRED TO A SEPARATE ACCOUNT IN THE STATE SCHOOL AID FUND DESIGNATED AS THE "STATE SCHOOL AID RESERVE ACCOUNT" AND MAY BE USED FOR PAYMENTS UNDER THIS SECTION. IN SUCCEEDING FISCAL YEARS, MONEY IN THE STATE SCHOOL AID RESERVE ACCOUNT MAY BE APPROPRIATED AND USED ONLY FOR THE PURPOSES OF THIS SECTION.

(2) IN ADDITION TO OTHER MONEY APPROPRIATED UNDER THIS ACT, ALL OF THE MONEY IN THE STATE SCHOOL AID RESERVE ACCOUNT IN THE STATE SCHOOL AID FUND IS APPROPRIATED FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2001 FOR THE PURPOSES OF THIS SECTION. IN ADDITION TO OTHER MONEY APPROPRIATED UNDER THIS ACT, ALL OF THE MONEY IN THE STATE SCHOOL AID RESERVE ACCOUNT IN THE STATE SCHOOL AID FUND IS APPROPRIATED FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2002 FOR THE PURPOSES OF THIS SECTION. IN ADDITION TO OTHER MONEY APPROPRIATED UNDER THIS ACT, ALL OF THE MONEY IN THE STATE SCHOOL AID RESERVE ACCOUNT IN THE STATE SCHOOL AID FUND IS APPROPRIATED FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2003 FOR THE PURPOSES OF THIS SECTION.

(3) AN ELIGIBLE DISTRICT OR INTERMEDIATE DISTRICT MAY OBTAIN A PAYMENT FROM THE STATE SCHOOL AID RESERVE ACCOUNT TO ASSIST THE DISTRICT OR INTERMEDIATE DISTRICT IN PAYING EMPLOYEE WAGES INCURRED OR PAYABLE DURING THE PERIOD BETWEEN THE DISTRICT'S OR INTERMEDIATE DISTRICT'S JUNE PAYMENT UNDER THIS ACT FOR A FISCAL YEAR AND THE DISTRICT'S OR INTERMEDIATE DISTRICT'S FIRST PAYMENT UNDER THIS ACT FOR THE NEXT FISCAL YEAR.

(4) TO BE ELIGIBLE FOR A PAYMENT UNDER THIS SECTION, A DISTRICT OR INTERMEDIATE DISTRICT MUST MEET 1 OF THE FOLLOWING:

(A) THE AMOUNT OF THE DISTRICT'S OR INTERMEDIATE DISTRICT'S UNRESERVED GENERAL FUND BALANCE FOR THE IMMEDIATELY PRECEDING FISCAL YEAR, EXCLUDING THE JULY AND AUGUST PAYMENTS PAID TO THE DISTRICT OR INTERMEDIATE DISTRICT IN THE IMMEDIATELY PRECEDING FISCAL YEAR, IS A NEGATIVE AMOUNT.

(B) THE AMOUNT OF THE DISTRICT'S OR INTERMEDIATE DISTRICT'S UNRESERVED GENERAL FUND BALANCE FOR THE IMMEDIATELY PRECEDING FISCAL YEAR, EXCLUDING THE JULY AND AUGUST PAYMENTS PAID TO THE DISTRICT OR INTERMEDIATE DISTRICT IN THE IMMEDIATELY PRECEDING FISCAL YEAR, IS NOT A NEGATIVE AMOUNT, BUT IS LESS THAN AN AMOUNT EQUAL TO 20% OF THE

DISTRICT'S OR INTERMEDIATE DISTRICT'S AVERAGE MONTHLY EXPENDITURE FOR EMPLOYEE WAGES FOR THE PERIOD FROM JULY 1 TO SEPTEMBER 30 OF THE IMMEDIATELY PRECEDING FISCAL YEAR, AS DETERMINED BY THE DEPARTMENT.

(5) THE SUPERINTENDENT SHALL NOTIFY A DISTRICT OR INTERMEDIATE DISTRICT THAT IS ELIGIBLE UNDER SUBSECTION (4) OF ITS ELIGIBILITY AND OF THE AMOUNT OF THE POTENTIAL PAYMENT UNDER THIS SECTION FOR WHICH IT IS ELIGIBLE. IF THE DISTRICT OR INTERMEDIATE DISTRICT CHOOSES TO RECEIVE THE PAYMENT, THE DISTRICT OR INTERMEDIATE DISTRICT SHALL INDICATE TO THE SUPERINTENDENT, IN THE FORM AND MANNER PRESCRIBED BY THE SUPERINTENDENT, THAT IT CHOOSES TO RECEIVE THE PAYMENT AND AGREES TO COMPLY WITH THE REQUIREMENTS OF THIS SECTION. A PAYMENT UNDER THIS SECTION SHALL BE PAID TO THE DISTRICT OR INTERMEDIATE DISTRICT ON AUGUST 1 OF THAT FISCAL YEAR, OR ON THE NEXT BUSINESS DAY, IN THE SAME MANNER AS A PAYMENT UNDER SECTION 17B.

(6) A DISTRICT OR INTERMEDIATE DISTRICT RECEIVING A PAYMENT UNDER THIS SECTION SHALL REPAY THE AMOUNT OF THE PAYMENT AS PROVIDED IN THIS SUBSECTION. THE REPAYMENT SHALL BE MADE IN THE FORM OF DEDUCTIONS FROM THE DISTRICT'S OR INTERMEDIATE DISTRICT'S MARCH, APRIL, MAY, AND JUNE INSTALLMENTS UNDER THIS ACT IN THE NEXT FISCAL YEAR. THE AMOUNT OF EACH DEDUCTION SHALL BE AN AMOUNT EQUAL TO 25% OF THE PAYMENT UNDER THIS SECTION TO THE DISTRICT OR INTERMEDIATE DISTRICT. THE STATE TREASURER SHALL DEPOSIT ALL REPAYMENTS UNDER THIS SECTION IN THE STATE SCHOOL AID RESERVE ACCOUNT.

(7) THE MAXIMUM AMOUNT OF THE PAYMENT TO A DISTRICT OR INTERMEDIATE DISTRICT UNDER THIS SECTION IS AS FOLLOWS:

(A) FOR A DISTRICT THAT IS ELIGIBLE UNDER SUBSECTION (4)(A), AN AMOUNT EQUAL TO 20% OF THE DISTRICT'S OR INTERMEDIATE DISTRICT'S AVERAGE MONTHLY EXPENDITURE FOR EMPLOYEE WAGES FOR THE PERIOD FROM JULY 1 TO SEPTEMBER 30 OF THE IMMEDIATELY PRECEDING FISCAL YEAR.

(B) FOR A DISTRICT THAT IS ELIGIBLE UNDER SUBSECTION (4)(B), AN AMOUNT EQUAL TO A PERCENTAGE OF THE DISTRICT'S OR INTERMEDIATE DISTRICT'S AVERAGE MONTHLY EXPENDITURE FOR EMPLOYEE WAGES FOR THE PERIOD FROM JULY 1 TO SEPTEMBER 30 OF THE IMMEDIATELY PRECEDING FISCAL YEAR. THIS PERCENTAGE SHALL BE CALCULATED BY SUBTRACTING FROM 20 PERCENTAGE POINTS THE PERCENTAGE OF THE DISTRICT'S OR INTERMEDIATE DISTRICT'S AVERAGE MONTHLY EXPENDITURE FOR EMPLOYEE WAGES FOR THE PERIOD FROM JULY 1 TO SEPTEMBER 30 OF THE IMMEDIATELY PRECEDING FISCAL YEAR THAT IS EQUAL TO THE AMOUNT OF THE DISTRICT'S OR INTERMEDIATE DISTRICT'S GENERAL FUND BALANCE FOR THE IMMEDIATELY PRECEDING FISCAL YEAR, EXCLUDING THE JULY AND AUGUST PAYMENTS DUE TO THE DISTRICT OR INTERMEDIATE DISTRICT FOR THE IMMEDIATELY PRECEDING FISCAL YEAR, AS DESCRIBED IN SUBSECTION (4)(B).

(8) IF THE AMOUNT AVAILABLE IN THE STATE SCHOOL AID RESERVE ACCOUNT FOR A PARTICULAR FISCAL YEAR IS NOT SUFFICIENT TO PAY THE MAXIMUM PAYMENT TO EACH ELIGIBLE DISTRICT OR INTERMEDIATE DISTRICT, AS CALCULATED UNDER SUBSECTION (7), THE SUPERINTENDENT SHALL PRORATE THE AMOUNT OF EACH DISTRICT'S OR INTERMEDIATE DISTRICT'S PAYMENT ON AN EQUAL PERCENTAGE BASIS ACCORDING TO THE AMOUNT AVAILABLE.

(9) A DISTRICT OR INTERMEDIATE DISTRICT SHALL USE A PAYMENT UNDER THIS SECTION ONLY FOR EMPLOYEE WAGES AS DESCRIBED IN SUBSECTION (3).

SEC. 11K. FROM THE STATE SCHOOL AID FUND MONEY APPROPRIATED UNDER SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$34,000,000.00 EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 FOR PROJECT GRANTS TO DISTRICTS UNDER SECTION 10B OF 1961 PA 108, MCL 388.960B, AS PROVIDED UNDER THAT SECTION.

SEC. 11I. FROM THE STATE SCHOOL AID FUND MONEY APPROPRIATED UNDER SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$18,000,000.00 EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 FOR THE SCHOOL CONSTRUCTION INTEREST WAIVER PROGRAM DESCRIBED IN SECTION 10C OF 1961 PA 108, MCL 388.960C.

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 of the amount to be distributed under this act in the installments to the districts and intermediate districts and deliver the statement to the state treasurer, and the state treasurer shall pay the installments on each of those dates or, ~~on the next business day following each of those dates~~ 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 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. 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 specified in this act, grant payments 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. Such an advance 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. 18B. (1) PROPERTY OF A PUBLIC SCHOOL ACADEMY THAT WAS ACQUIRED SUBSTANTIALLY WITH FUNDS APPROPRIATED UNDER THIS ACT SHALL BE TRANSFERRED TO THIS STATE BY THE PUBLIC SCHOOL ACADEMY CORPORATION IF ANY OF THE FOLLOWING OCCUR:

(A) THE PUBLIC SCHOOL ACADEMY HAS BEEN INELIGIBLE TO RECEIVE FUNDING UNDER THIS ACT FOR 18 CONSECUTIVE MONTHS.

(B) THE PUBLIC SCHOOL ACADEMY'S CONTRACT HAS BEEN REVOKED.

(C) THE PUBLIC SCHOOL ACADEMY'S CONTRACT HAS NOT BEEN REISSUED BY THE AUTHORIZING BODY.

(2) PROPERTY REQUIRED TO BE TRANSFERRED TO THIS STATE UNDER THIS SECTION INCLUDES TITLE TO ALL REAL AND PERSONAL PROPERTY, INTERESTS IN REAL OR PERSONAL PROPERTY, AND OTHER ASSETS OWNED BY THE PUBLIC SCHOOL ACADEMY CORPORATION THAT WERE SUBSTANTIALLY ACQUIRED WITH FUNDS APPROPRIATED UNDER THIS ACT.

(3) THE STATE TREASURER, OR HIS OR HER DESIGNEE, IS AUTHORIZED TO DISPOSE OF PROPERTY TRANSFERRED TO THIS STATE UNDER THIS SECTION. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE STATE TREASURER SHALL DEPOSIT IN THE STATE SCHOOL AID FUND ANY MONEY INCLUDED IN THAT PROPERTY AND THE NET PROCEEDS FROM THE SALE OF THE PROPERTY OR INTERESTS IN PROPERTY, AFTER PAYMENT BY THE STATE TREASURER OF ANY PUBLIC SCHOOL ACADEMY DEBT SECURED BY THE PROPERTY OR INTEREST IN PROPERTY.

(4) THIS SECTION DOES NOT IMPOSE ANY LIABILITY ON THIS STATE, ANY AGENCY OF THIS STATE, OR AN AUTHORIZING BODY FOR ANY DEBT INCURRED BY A PUBLIC SCHOOL ACADEMY.

(5) AS USED IN THIS SECTION AND SECTION 18C, "AUTHORIZING BODY" MEANS AN AUTHORIZING BODY DEFINED UNDER SECTION 501 OF THE REVISED SCHOOL CODE, MCL 380.501.

SEC. 18C. ANY CONTRACT, MORTGAGE, LOAN, OR OTHER INSTRUMENT OF INDEBTEDNESS ENTERED INTO BY A PUBLIC SCHOOL ACADEMY RECEIVING FUNDS UNDER THIS ACT AND A THIRD PARTY DOES NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL, SPECIAL, OR MORAL, OF THIS STATE OR OF AN AUTHORIZING BODY. THE FULL FAITH AND CREDIT OR THE TAXING POWER OF THIS STATE OR ANY AGENCY OF THIS STATE, OR THE FULL FAITH AND CREDIT OF AN AUTHORIZING BODY, SHALL NOT BE PLEDGED FOR THE PAYMENT OF ANY CONTRACT, MORTGAGE, LOAN, OR OTHER INSTRUMENT OF INDEBTEDNESS ENTERED INTO BY A PUBLIC SCHOOL ACADEMY.

Sec. 19. (1) A district shall comply with the requirements of sections 1204a, 1277, 1278, and 1280 of the revised school code, ~~being sections 380.1204a, 380.1277, 380.1278, and 380.1280 of the Michigan Compiled Laws~~ MCL 380.1204A, 380.1277, 380.1278, AND 380.1280, commonly referred to as "public act 25 of 1990".

(2) Each district and intermediate district shall provide to the department, in a form and manner prescribed by the department, information necessary for the development of an annual progress report on the implementation of sections 1204a, 1277, 1278, and 1280 of the revised school code, MCL 380.1204A, 380.1277, 380.1278, AND 380.1280, commonly referred to as "public act 25 of 1990", and on the achievement of national education goals, AND INFORMATION NECESSARY FOR THE DEVELOPMENT OF OTHER PERFORMANCE REPORTS.

(3) If a district or intermediate district fails to meet the requirements of subsection (2) and sections 1204a, 1277, and 1278 of the revised school code, MCL 380.1204A, 380.1277, 380.1278, AND 380.1280, the department shall withhold 5% of the total funds for which the district or intermediate district qualifies under this act until the district or intermediate district complies with all of those sections. If the district or intermediate district does not comply with all of those sections by the end of the fiscal year, the department shall place the amount withheld in an escrow account until the district or intermediate district complies with all of those sections.

(4) If a school in a district is not accredited under section 1280 of the revised school code, MCL 380.1280, or is not making satisfactory progress toward meeting the standards for that accreditation, the department shall withhold 5% of the total funds for which the district qualifies under this act that are attributable to pupils attending that school. The

department shall place the amount withheld from a district under this subsection in an escrow account and shall not release the funds to the district until the district submits to the department a plan for achieving accreditation for each of the district's schools that are not accredited under section 1280 of the revised school code, MCL 380.1280, or are not making satisfactory progress toward meeting the standards for that accreditation.

Sec. 20. (1) ~~For 1998-99, the basic foundation allowance is \$5,462.00 per membership pupil. For 1999-2000, the basic foundation allowance is \$5,696.00 \$5,700.00 per membership pupil. For 2000-2001, the basic foundation allowance is \$5,866.00 \$6,000.00 per membership pupil. FOR 2001-2002, THE BASIC FOUNDATION ALLOWANCE IS \$6,300.00 PER MEMBERSHIP PUPIL. FOR 2002-2003, THE BASIC FOUNDATION ALLOWANCE IS \$6,700.00 PER MEMBERSHIP PUPIL.~~

(2) From the appropriation in section 11, there is allocated ~~for 1998-99 an amount not to exceed \$8,034,100,000.00, for 1999-2000 an amount not to exceed \$8,516,932,000.00, and for 2000-2001 an amount not to exceed \$8,906,496,200.00,~~ \$8,418,600,000.00 to guarantee each district a foundation allowance per membership pupil other than special education pupils and to make payments under this section to public school academies and university schools for membership pupils other than special education pupils. 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). If the maximum amount allocated under this section is not sufficient to fully fund payments under this section, and before any proration required under section 11, the amount of the payment to each district, university school, and public school academy shall be prorated by reducing by an equal percentage the total payment under this section to each district, university school, and public school academy. However, if the department determines that proration will be required under this section, the superintendent of public instruction 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 section 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 section because of proration. The legislature may prevent proration under this section from occurring by, within the 30 calendar day or 6 legislative session day period after that notification by the 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 ensure full foundation allowance funding for each district, university school, and public school academy.

(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) For a district that in the immediately preceding state fiscal year had a foundation allowance at least equal to the sum of \$4,200.00 plus the total dollar amount of all adjustments made from 1994-95 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts, but less than the basic foundation allowance in the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the difference between twice the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance and [(the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance minus \$50.00) times (the difference between the district's foundation allowance for the immediately preceding state fiscal year and the sum of \$4,200.00 plus the total dollar amount of all adjustments made from 1994-95 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts) divided by the difference between the basic foundation allowance for the current state fiscal year and the sum of \$4,200.00 plus the total dollar amount of all adjustments made from 1994-95 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts]. However, the foundation allowance for a district that had less than the basic foundation allowance in the immediately preceding state fiscal year shall not exceed the basic foundation allowance for the current state fiscal year.

(b) Except as otherwise provided in ~~subdivision (c) or (d)~~ 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.

(c) ~~For BEGINNING IN 1999-2000, only,~~ for a district that in the ~~immediately preceding~~ 1994-95 state fiscal year had a foundation allowance greater than ~~\$6,962.00 and less than \$12,000.00~~ \$6,500.00, the ~~district shall receive a~~ DISTRICT'S foundation allowance ~~is~~ IS an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus ~~1.6%~~ THE LESSER OF THE INCREASE IN THE BASIC FOUNDATION ALLOWANCE FOR THE CURRENT STATE FISCAL YEAR, AS COMPARED TO THE IMMEDIATELY PRECEDING STATE FISCAL YEAR, OR THE PRODUCT of the district's foundation allowance for the immediately preceding state fiscal year TIMES THE PERCENTAGE INCREASE IN THE UNITED STATES CONSUMER PRICE

INDEX IN THE CALENDAR YEAR ENDING IN THE IMMEDIATELY PRECEDING FISCAL YEAR AS REPORTED BY THE MAY REVENUE ESTIMATING CONFERENCE CONDUCTED UNDER SECTION 367B OF THE MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL 18.1367B.

~~(d) For 2000-2001 only, for a district that in the immediately preceding state fiscal year had a foundation allowance greater than \$7,196.00 and less than \$12,234.00, 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 1.6% of the district's foundation allowance for the immediately preceding state fiscal year.~~

(D) ~~(e)~~ For ~~1998-99~~ 1999-2000, each district's foundation allowance shall be at least ~~\$5,170.00~~ \$5,700.00.

(E) BEGINNING IN 2000-2001, 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.

(F) BEGINNING IN 2002-2003, FOR A DISTRICT THAT RECEIVES A PAYMENT UNDER SECTION 22C 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 SECTION 22C.

(4) To ensure that a district receives the district's foundation allowance, there is allocated to each district a state portion of the district's foundation allowance in an amount calculated under this subsection. 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 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~~ BROWNFIELD redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, divided by the district's membership excluding special education pupils. ~~For BEGINNING IN 1999-2000, only, for a district described in subsection (3)(c), the state portion of the district's foundation allowance is an amount equal to \$6,962.00 plus 1.6% of THE DIFFERENCE BETWEEN the district's foundation allowance for the immediately preceding 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 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 excluding special education pupils. For 2000-2001 only, for a district described in subsection (3)(d), the state portion of the district's foundation allowance is an amount equal to \$7,196.00 plus 1.6% of the district's foundation allowance for the immediately preceding state fiscal year 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 excluding special education pupils. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur. For each fiscal year after 1994-95, the 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. HOWEVER, BEGINNING IN 2002-2003, 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 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 pursuant to section 105 OR 105C in a district other than the pupil's district of residence, the allocation 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 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. BEGINNING IN

1999-2000, 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 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, there is allocated under this section each fiscal year ~~for 1998-99, for 1999-2000, and for 2000-2001, FOR 2001-2002, AND FOR 2002-2003~~ to the authorizing body that is the fiscal agent for the public school academy for forwarding to the public school academy, or to the board of the public university operating the university school, 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 \$500.00, whichever is less. HOWEVER, BEGINNING IN 2002-2003, THIS \$500.00 AMOUNT SHALL INSTEAD BE \$300.00. Notwithstanding section 101(2), for a public school academy that begins operations in ~~1998-99, 1999-2000, or 2000-2001, 2001-2002, OR 2002-2003~~, as applicable, 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 1284 of the revised school code, MCL 380.1284. 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 allocated under this section 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 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 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~~ 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 a payment under subsection (9); if the number of mills the district may levy on a homestead 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 payment 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 payment 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 homestead 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 homestead and qualified agricultural property are exempt and not to levy school operating taxes on a homestead 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 allocated under this subsection for 1994-95 and each succeeding fiscal year a separate supplemental payment in an amount equal to the amount the district would have received per membership pupil had it levied school operating taxes on a homestead 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. ~~A district shall not receive a separate supplemental payment 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 homestead or qualified agricultural property.~~ 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 homestead or qualified agricultural property, the payment 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) A district or public school academy may use any funds allocated under this section in conjunction with any federal funds for which the district or public school academy otherwise would be eligible.

(11) For a district that is formed or reconfigured after June 1, 1994 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 districts. If an affected district's foundation allowance is less than the basic foundation allowance, the amount of that district's foundation allowance shall be considered for the purpose of calculations under this subsection to be equal to the amount of the basic foundation allowance.

(12) 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.

(13) State payments related to payment of the foundation allowance for a special education pupil are not funded under this section but are instead funded under section 51a.

(14) 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 1998-99 only, 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.

(15) If the principals at the revenue estimating conference reach a consensus on the index described in subsection (14)(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).

(16) 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.

(17) Beginning in 1999-2000, 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 ~~pupil in membership~~ 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, the district shall be allocated a minimum amount of combined state and local revenue as provided under this subsection. ~~This~~ 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. Beginning in 2000-2001, ~~the amount of the~~ 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 the product of the state

portion of the district's foundation allowance 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, 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. HOWEVER, BEGINNING IN 2002-2003, 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.

(18) 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, BEGINNING IN 2000-2001, 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.

(19) BEGINNING IN 2000-2001, 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.

(20) FROM THE ALLOCATION IN SUBSECTION (1), THE DEPARTMENT MAY EXPEND FUNDS TO PAY FOR NECESSARY COSTS ASSOCIATED WITH RESOLVING MATTERS PENDING IN FEDERAL COURT IMPACTING PAYMENTS TO DISTRICTS.

(21) 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.

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

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

(f) "Local school operating revenue" means school operating taxes levied under section 1211 of the revised school code, MCL 380.1211.

(g) "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.

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

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

(j) "School operating purposes" means the purposes included in the operation costs of the district as prescribed in sections 7 and 18.

(k) "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.

(l) "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) From the appropriation in section 11, there is allocated for 1999-2000 ~~only~~ an amount not to exceed ~~\$16,000,000.00~~ \$23,400,000.00 for foundation allowance supplemental payments to districts that in the ~~immediately preceding~~ 1994-95 state fiscal year had a foundation allowance greater than ~~\$6,962.00~~ and less than ~~\$12,000.00~~ \$6,500.00. ~~From the appropriation in section 11, there is allocated for 2000-2001 only an amount not to exceed \$13,000,000.00 for foundation allowance supplemental payments to districts that in the immediately preceding state fiscal year had a foundation allowance greater than \$7,196.00 and less than \$12,234.00.~~

(2) The per pupil allocation to each district under this section shall be the difference between the dollar amount of the adjustment from the ~~immediately preceding~~ 1998-99 state fiscal year to the current state fiscal year in the basic foundation allowance ~~and 1.6% of the district's foundation allowance for the immediately preceding~~ 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) The total payment to each district 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.

(4) BEGINNING IN 2000-2001, 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. 20K. (1) FROM THE STATE SCHOOL AID FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,050,000.00 EACH FISCAL YEAR FOR 2000-2001, 2001-2002, AND 2002-2003 FOR PAYMENTS TO DISTRICTS UNDER THIS SECTION.

(2) TO BE ELIGIBLE FOR A PAYMENT UNDER THIS SECTION, A DISTRICT MUST MEET ALL OF THE FOLLOWING:

(A) THE DISTRICT'S MEMBERSHIP IS 100 PUPILS OR FEWER.

(B) AT LEAST 80% OF THE DISTRICT'S COMBINED STATE AND LOCAL REVENUE IS FROM THE DISTRICT'S LOCAL SCHOOL OPERATING REVENUE. AS USED IN THIS SUBDIVISION, "COMBINED STATE AND LOCAL REVENUE" AND "LOCAL SCHOOL OPERATING REVENUE" MEAN THOSE TERMS AS DEFINED IN SECTION 20.

(C) THE DISTRICT IS NOT ELIGIBLE TO BE FUNDED UNDER SECTION 20(17).

(3) THE AMOUNT OF THE PAYMENT UNDER THIS SECTION TO EACH DISTRICT ELIGIBLE UNDER SUBSECTION (2) SHALL BE AN AMOUNT EQUAL TO 1/2 OF THE STATE REVENUE DERIVED FOR THE CALENDAR YEAR ENDING IN THE IMMEDIATELY PRECEDING FISCAL YEAR FROM THE TAX LEVIED UNDER THE STATE EDUCATION TAX ACT, 1993 PA 331, MCL 211.901 TO 211.906, ON PROPERTY LOCATED IN THE DISTRICT, AS DETERMINED BY THE DEPARTMENT OF TREASURY.

(4) A TASK FORCE IS CREATED TO STUDY THE ISSUES SPECIFIED IN THIS SUBSECTION CONCERNING THE FUNDING OF DISTRICTS WITH FEWER THAN 100 PUPILS IN MEMBERSHIP. THE TASK FORCE SHALL STUDY AND REPORT ITS FINDINGS TO THE LEGISLATURE, STATE BUDGET DIRECTOR, AND SENATE AND HOUSE FISCAL AGENCIES NOT LATER THAN OCTOBER 1, 2001 ON THE FOLLOWING ISSUES:

(A) THE FISCAL IMPACT ON A DISTRICT FROM HAVING FEWER THAN 100 PUPILS.

(B) ALTERNATIVE METHODS OF CALCULATING PAYMENTS FOR DISTRICTS WITH FEWER THAN 100 PUPILS, INCLUDING USING A MINIMUM PUPIL COUNT AS THE MEMBERSHIP FIGURE FOR SUCH A DISTRICT EACH FISCAL YEAR.

(C) THE FISCAL IMPACT ON A DISTRICT FROM HAVING A DECLINING MEMBERSHIP.

(5) THE TASK FORCE UNDER SUBSECTION (4) SHALL CONSIST OF THE FOLLOWING 5 MEMBERS, APPOINTED BY THE SUPERINTENDENT.

(A) TWO MEMBERS REPRESENTING SCHOOL BOARDS, APPOINTED FROM AMONG NOMINATIONS SUBMITTED BY THE MICHIGAN ASSOCIATION OF SCHOOL BOARDS. AT LEAST 1 OF THESE MEMBERS SHALL BE A REPRESENTATIVE OF A DISTRICT WITH FEWER THAN 100 PUPILS.

(B) ONE MEMBER REPRESENTING PUBLIC SCHOOL ADMINISTRATORS, APPOINTED FROM AMONG NOMINATIONS SUBMITTED BY THE MICHIGAN ASSOCIATION OF SCHOOL ADMINISTRATORS.

(C) ONE MEMBER REPRESENTING THE SUPERINTENDENT.

(D) ONE MEMBER WHO IS A K-12 TEACHER IN THIS STATE, APPOINTED FROM AMONG NOMINATIONS JOINTLY SUBMITTED BY THE MICHIGAN EDUCATION ASSOCIATION AND THE MICHIGAN FEDERATION OF TEACHERS.

(6) THE MEMBERS APPOINTED TO THE TASK FORCE UNDER SUBSECTION (5) SHALL BE APPOINTED NOT LATER THAN OCTOBER 1, 2000.

(7) MEMBERS OF THE TASK FORCE SHALL SERVE UNTIL THE TASK FORCE FINDINGS ARE REPORTED AS REQUIRED UNDER SUBSECTION (4).

(8) IF A VACANCY OCCURS ON THE TASK FORCE, THE SUPERINTENDENT SHALL APPOINT A REPLACEMENT IN THE SAME MANNER AS THE ORIGINAL APPOINTMENT.

Sec. 21b. (1) Subject to subsections (2) and (3), a district shall use funds received under section 20 OR, BEGINNING IN 2000-2001, UNDER SECTION 22A OR 22B to support the attendance of a district pupil at an eligible postsecondary institution under the postsecondary enrollment options act, ~~Act No. 160 of the Public Acts of 1996, being sections 388.511 to 388.524 of the Michigan Compiled Laws 1996 PA 160, MCL 388.511 TO 388.524,~~ OR UNDER THE CAREER AND TECHNICAL PREPARATION ACT.

(2) To the extent required under subsection (3), a district shall pay tuition and mandatory course fees, material fees, and registration fees required by an eligible postsecondary institution for enrollment in an eligible course. A district also shall pay any late fees charged by an eligible postsecondary institution due to the district's failure to make a required payment according to the timetable prescribed by ~~Act No. 160 of the Public Acts of 1996~~ THE POSTSECONDARY ENROLLMENT OPTIONS ACT, 1996 PA 160, MCL 388.511 TO 388.524, OR THE CAREER

AND TECHNICAL PREPARATION ACT. A district is not required to pay transportation costs, parking costs, or activity fees.

(3) A district shall pay to the eligible postsecondary institution on behalf of an eligible student an amount equal to the lesser of the amount of the eligible charges described in subsection (2) or the prorated percentage of the state portion of the foundation allowance paid OR CALCULATED, AS APPLICABLE, on behalf of that eligible student under section 20, with the proration based on the proportion of the school year that the eligible student attends the postsecondary institution. A district may pay more money to an eligible postsecondary institution on behalf of an eligible student than required under this section and ~~Act No. 160 of the Public Acts of 1996~~ THE POSTSECONDARY ENROLLMENT OPTIONS ACT, 1996 PA 160, MCL 388.511 TO 388.524, OR THE CAREER AND TECHNICAL PREPARATION ACT, and may use local school operating revenue for that purpose. An eligible student is responsible for payment of the remainder of the costs associated with his or her postsecondary enrollment that exceed the amount the district is required to pay under this section and ~~Act No. 160 of the Public Acts of 1996~~ THE POSTSECONDARY ENROLLMENT OPTIONS ACT, 1996 PA 160, MCL 388.511 TO 388.524, OR THE CAREER AND TECHNICAL PREPARATION ACT, and that are not paid by the district. As used in this subsection, "local school operating revenue" means that term as defined in section 20.

(4) As used in this section, "eligible course", "eligible student", and "eligible postsecondary institution" mean those terms as defined in section 3 of ~~Act No. 160 of the Public Acts of 1996, being section 388.513 of the Michigan Compiled Laws~~ THE POSTSECONDARY ENROLLMENT OPTIONS ACT, 1996 PA 160, MCL 388.511 TO 388.524, OR IN SECTION 3 OF THE CAREER AND TECHNICAL PREPARATION ACT, AS APPLICABLE.

SEC. 22A. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$7,181,000,000.00 FOR 2000-2001, AN AMOUNT NOT TO EXCEED \$7,088,000,000.00 FOR 2001-2002, AND AN AMOUNT NOT TO EXCEED \$7,004,000,000.00 FOR 2002-2003 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.

(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) FOR PUPILS IN MEMBERSHIP IN A QUALIFYING PUBLIC SCHOOL ACADEMY OR QUALIFYING UNIVERSITY SCHOOL, THERE IS ALLOCATED UNDER THIS SECTION EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 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 \$1,811,000,000.00 FOR 2000-2001, AN AMOUNT NOT TO EXCEED \$2,324,000,000.00 FOR 2001-2002, AND AN AMOUNT NOT TO EXCEED \$2,805,000,000.00 FOR 2002-2003 FOR DISCRETIONARY PAYMENTS TO DISTRICTS UNDER THIS SECTION.

(2) SUBJECT TO SUBSECTION (4), BEGINNING IN 2000-2001, 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) THE ALLOCATIONS UNDER THIS SECTION ARE NOT CONSIDERED TO BE PER PUPIL REVENUE FOR SCHOOL OPERATING PURPOSES UNDER SECTION 11 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963.

(4) IN ORDER TO RECEIVE AN ALLOCATION UNDER THIS SECTION, EACH DISTRICT SHALL 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.

SEC. 22C. FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$129,000,000.00 FOR 2001-2002 TO MAKE EQUITY PAYMENTS TO DISTRICTS THAT HAVE A FOUNDATION ALLOWANCE OR PER PUPIL PAYMENT CALCULATED UNDER SECTION 20 FOR 2001-2002 OF LESS THAN \$6,500.00. THE EQUITY PAYMENT FOR A DISTRICT SHALL BE AN AMOUNT CALCULATED BY SUBTRACTING THE DISTRICT'S 2001-2002 FOUNDATION ALLOWANCE OR PER PUPIL PAYMENT FROM \$6,500.00 AND MULTIPLYING THE RESULT BY THE DISTRICT'S MEMBERSHIP.

Sec. 24. (1) Subject to subsection (2), from the appropriation in section 11, there is allocated ~~for 1998-99~~, for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR 2002-2003 to the educating district or intermediate district an amount equal to 100% of the added cost each fiscal year for educating all pupils assigned by a court or the family independence agency to reside in or to attend a juvenile detention facility or child caring institution licensed by the family independence agency or the department of consumer and industry services and approved by the department to provide an on-grounds education program. The total amount to be paid under this section for added cost shall not exceed ~~\$7,000,000.00 for 1998-99 and shall not exceed \$7,900,000.00 each fiscal year~~ for 1999-2000, and AN AMOUNT NOT TO EXCEED \$8,000,000.00 EACH FISCAL YEAR for 2000-2001, FOR 2001-2002, AND FOR 2002-2003. For the purposes of this section, "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, 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.

(2) 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. IN ADDITION, A DISTRICT OR INTERMEDIATE DISTRICT THAT RECEIVED FUNDS UNDER THIS SUBSECTION FOR 1998-99 FOR AN ON-GROUNDS EDUCATIONAL PROGRAM THAT IS LONGER THAN 181 DAYS BUT NOT LONGER THAN 233 DAYS SHALL CONTINUE TO RECEIVE FUNDS UNDER THIS SECTION FOR SUBSEQUENT FISCAL YEARS FOR THAT PROGRAM.

(3) Special education pupils funded under section 53a shall not be funded under this section.

Sec. 25. If a pupil is enrolled in an alternative education program operated by an intermediate district or district for ~~middle school or high school pupils, or both~~, PUPILS who have been expelled ~~under section 1311 of the revised school code, MCL 380.1311~~ FROM SCHOOL, AND IF THE PUPIL IS COUNTED IN MEMBERSHIP IN ANOTHER INTERMEDIATE DISTRICT OR DISTRICT, the intermediate district or district operating the program 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 intermediate district or district operating the

program an amount equal to the amount of the foundation allowance ~~received by~~ OR PER PUPIL PAYMENT AS CALCULATED UNDER SECTION 20 FOR 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 alternative education program 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. THE FOUNDATION ALLOWANCE OR PER PUPIL PAYMENT SHALL BE ADJUSTED BY THE PUPIL'S FULL-TIME EQUATED STATUS AS AFFECTED BY THE MEMBERSHIP DEFINITION UNDER SECTION 6(4). 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 intermediate district or district operating the alternative education program. The district in which the pupil is counted in membership and the intermediate district or district operating the alternative education program shall provide to the department all information the department requires to enforce this section.

SEC. 25B. (1) THIS SECTION APPLIES TO A DISTRICT'S ENROLLMENT OF A PUPIL IF ALL OF THE FOLLOWING APPLY:

(A) THE PUPIL TRANSFERS FROM 1 OF 3 OTHER DISTRICTS SPECIFIED BY THE EDUCATING DISTRICT AND ENROLLS IN THE DISTRICT AFTER THE PUPIL MEMBERSHIP COUNT DAY.

(B) DUE TO THE PUPIL'S ENROLLMENT STATUS AS OF THE PUPIL MEMBERSHIP COUNT DAY, THE PUPIL WAS COUNTED IN MEMBERSHIP IN THE DISTRICT FROM WHICH HE OR SHE TRANSFERS.

(C) THE TOTAL NUMBER OF PUPILS ENROLLED IN THE DISTRICT WHO ARE DESCRIBED IN SUBDIVISIONS (A) AND (B) AND WHO TRANSFER FROM 1 OF THE 3 OTHER DISTRICTS SPECIFIED BY THE EDUCATING DISTRICT IS AT LEAST EQUAL TO THE GREATER OF 25 OR 1% OF THE EDUCATING DISTRICT'S MEMBERSHIP.

(2) IF THE CONDITIONS SPECIFIED IN SUBSECTION (1) ARE MET, AND A PUPIL TRANSFERS FROM 1 OF THE 3 OTHER SPECIFIED DISTRICTS DESCRIBED IN SUBSECTION (1)(C) AND ENROLLS DURING A SCHOOL YEAR IN THE EDUCATING DISTRICT, 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 OR PER PUPIL PAYMENT AS CALCULATED UNDER SECTION 20 FOR 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. THE FOUNDATION ALLOWANCE OR PER PUPIL PAYMENT SHALL BE ADJUSTED BY THE PUPIL'S FULL-TIME EQUATED STATUS AS AFFECTED BY THE MEMBERSHIP DEFINITION UNDER SECTION 6(4). 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.

(3) AS USED IN THIS SECTION, "EDUCATING DISTRICT" MEANS THE DISTRICT IN WHICH A PUPIL ENROLLS AFTER THE PUPIL MEMBERSHIP COUNT DAY AS DESCRIBED IN SUBSECTION (1).

Sec. 26a. From the general fund appropriation in section 11, there is allocated ~~for 1998-99 an amount not to exceed \$5,100,000.00, and for~~ each fiscal year for 1999-2000, ~~and~~ 2000-2001, 2001-2002, AND 2002-2003 an amount not to exceed \$7,000,000.00 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 ~~1998~~, 1999, ~~and~~ 2000, 2001, AND 2002, respectively. This reimbursement shall be made by adjusting payments under section 20 OR 22A to eligible districts, adjusting payments under section 56, 62, or 81 to eligible intermediate districts, and adjusting the state school aid fund. The adjustments 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. 31a. (1) From the state school aid fund money appropriated in section 11, there is allocated ~~for 1998-99 an amount not to exceed \$260,000,000.00,~~ for 1999-2000 an amount not to exceed \$270,920,000.00, ~~and~~ for 2000-2001 an amount not to exceed ~~\$278,776,700.00~~ \$304,000,000.00, FOR 2001-2002 AN AMOUNT NOT TO EXCEED \$319,200,000.00, AND FOR 2002-2003 AN AMOUNT NOT TO EXCEED \$329,095,200.00 for payments to eligible districts and eligible public school academies under this section. Subject to subsection (10), the amount of the additional allowance under this section 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, chapter 281, 60 Stat. 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to 1766a, 1769, 1769b to 1769c, and 1769f to 1769h, 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 national school lunch act.

(2) To be eligible to receive funding under this section, 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 ~~each fiscal year for 1999-2000 and 2000-2001 only~~, 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. HOWEVER, BEGINNING IN 2002-2003, THE \$6,500.00 AMOUNT PRESCRIBED IN THIS SUBDIVISION 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.

(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 allocation under section 20, plus ~~each fiscal year for 1999-2000 and 2000-2001 only~~, 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, or of the public school academy's per membership pupil allocation under section 20 for the current state fiscal year. HOWEVER, BEGINNING IN 2002-2003, 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. 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 allocation 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 and for the purposes of subsection (5) or section 31c and 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 be conducted using a tutorial method, 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) 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. ~~FOR 1999-2000 ONLY~~, A district or public school academy that receives funds under this section and that operates a school lunch 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 lunch program.

(6) 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.

(7) 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.

(8) Subject to subsection (5), 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 subsection (5), 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.

(9) A district or public school academy may use funds received under this section for adult high school completion, general education development (G.E.D.) test preparation, or adult basic education programs described in section 107.

(10) 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).

(11) 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.

(12) Beginning in 1999-2000, 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 5.75% of the sum of the district's foundation allowance or public school academy's per pupil allocation under section 20, plus ~~each fiscal year for 1999-2000 and 2000-2001 only~~, 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. **HOWEVER, BEGINNING IN 2002-2003, 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.**

(13) Beginning in ~~1999-2000~~ 2001-2002, the total amount allocated under this section for a fiscal year shall be increased from the total amount allocated under this section for the immediately preceding fiscal year by the same percentage as the percentage increase in the amount of the basic foundation allowance under section 20 for that fiscal year from the amount of the basic foundation allowance under section 20 for the immediately preceding fiscal year.

(14) 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 moderate on the most recent MEAP reading test for which results for the pupil have been received, did not achieve at least a score of moderate on the most recent MEAP mathematics test for which results for the pupil have been received, or ~~achieved less than 50% of the objectives~~ DID NOT ACHIEVE AT LEAST A SCORE OF NOVICE on the most recent MEAP science test 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, communication skills, or mathematics.

Sec. 31d. (1) From the state school aid fund appropriation in section 11, there is allocated ~~an amount not to exceed \$13,227,500.00 for 1998-1999 and an amount not to exceed \$6,963,000.00 each fiscal year~~ \$6,454,500.00 for 1999-2000, ~~and~~ AN AMOUNT NOT TO EXCEED \$13,669,500.00 FOR 2000-2001, AN AMOUNT NOT TO EXCEED \$14,079,600.00 FOR 2001-2002, AND AN AMOUNT NOT TO EXCEED \$14,502,000.00 FOR 2002-2003, AND FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$662,200.00 FOR 2000-2001, AN AMOUNT NOT TO EXCEED \$682,100.00 FOR 2001-2002, AND AN AMOUNT NOT TO EXCEED \$702,500.00 FOR 2002-2003 for the purpose of making payments TO DISTRICTS, INTERMEDIATE DISTRICTS, AND OTHER ELIGIBLE ENTITIES under this section.

(2) The amounts allocated 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~~ FOR 1999-2000, THE payments made under this section are in addition to the state payments made to districts under the department of education appropriations act for ~~the corresponding fiscal year~~ 1999-2000 and under section 31a(5), so that each district receives from all of these sources combined at least 6.0127% of the necessary costs of operating the state mandated portion of the school lunch program in a fiscal year. BEGINNING IN 2000-2001, 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 1998-99 payment to each district under this section includes reimbursement for both 1997-98 and 1998-99, and the portion of the 1998-99 payment that is attributable to reimbursement for 1997-98 shall be made within 60 days after the effective date of this section.~~ BEGINNING IN 2000-2001, NOTWITHSTANDING SECTION 17B, PAYMENTS TO INTERMEDIATE DISTRICTS AND OTHER ELIGIBLE ENTITIES UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

SEC. 32A. (1) FROM THE STATE SCHOOL AID FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$267,850,000.00 FOR 2000-2001, AN AMOUNT NOT TO EXCEED \$267,850,000.00 FOR 2001-2002, AND AN AMOUNT NOT TO EXCEED \$279,850,000.00 FOR 2002-2003 TO FUND THE ALL STUDENTS ACHIEVE PROGRAM (ASAP) AS PROVIDED UNDER SECTIONS 32B TO 32H. IN ADDITION, FROM THE GENERAL FUND APPROPRIATIONS IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$25,200,000.00 FOR 2000-2001, AN AMOUNT NOT TO EXCEED \$30,200,000.00 FOR 2001-2002, AND AN AMOUNT NOT TO EXCEED \$35,200,000.00 FOR 2002-2003 FOR THE PURPOSES OF SECTIONS 32B TO 32H. THE PROGRAMS FUNDED THROUGH THIS SECTION ARE FOR THE PURPOSES OF IMPROVING PARENTING SKILLS, IMPROVING SCHOOL READINESS, REDUCING THE NUMBER OF PUPILS RETAINED IN GRADE, AND REDUCING THE NUMBER OF PUPILS REQUIRING SPECIAL EDUCATION SERVICES.

(2) EACH GRANT RECIPIENT APPROVED BY THE DEPARTMENT SHALL IMPLEMENT DEPARTMENT-APPROVED DATA COLLECTION METHODS AND EVALUATION OR ASSESSMENT TOOLS TO MEASURE THE IMPACT OF THE PROPOSED PROGRAM.

(3) A DISTRICT SHALL NOT USE FUNDS RECEIVED UNDER SECTIONS 32B TO 32H TO SUPPLANT ANY LOCAL OR FEDERAL FUNDS IT CURRENTLY RECEIVES. A DISTRICT MAY USE THESE FUNDS IN COMBINATION WITH OTHER FEDERAL, LOCAL, PUBLIC, OR PRIVATE FUNDS TO ENHANCE EXISTING PROGRAMS WITH SIMILAR PURPOSES.

SEC. 32B. (1) FROM THE STATE SCHOOL AID FUND ALLOCATION IN SECTION 32A(1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$45,000,000.00 EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 FOR GRANTS TO INTERMEDIATE DISTRICTS AND DISTRICTS FOR PROGRAMS FOR PRESCHOOL CHILDREN AND THEIR PARENTS. THE PURPOSE OF THESE PROGRAMS IS TO IMPROVE

SCHOOL READINESS AND FOSTER THE MAINTENANCE OF STABLE FAMILIES BY ENCOURAGING POSITIVE PARENTING SKILLS; ENHANCING PARENT-CHILD INTERACTION; PROVIDING LEARNING OPPORTUNITIES TO PROMOTE INTELLECTUAL, PHYSICAL, AND SOCIAL GROWTH; AND PROMOTING ACCESS TO NEEDED COMMUNITY SERVICES THROUGH A COMMUNITY-SCHOOL-HOME PARTNERSHIP THAT PROVIDES PARENTS WITH INFORMATION ON CHILD DEVELOPMENT FROM BIRTH TO AGE 5.

(2) TO QUALIFY FOR FUNDING UNDER THIS SECTION, A PROGRAM SHALL MEET ALL OF THE FOLLOWING:

(A) THE PROGRAM MUST PROVIDE SERVICES TO ALL FAMILIES WITH CHILDREN AGE 5 OR YOUNGER RESIDING WITHIN THE INTERMEDIATE DISTRICT OR DISTRICT WHO CHOOSE TO PARTICIPATE, INCLUDING AT LEAST ALL OF THE FOLLOWING SERVICES:

(i) HOME VISITS BY PARENT EDUCATORS TRAINED IN CHILD DEVELOPMENT TO HELP PARENTS UNDERSTAND APPROPRIATE EXPECTATIONS FOR EACH STAGE OF THEIR CHILD'S DEVELOPMENT, TO ENCOURAGE LEARNING OPPORTUNITIES, AND TO PROMOTE STRONG PARENT-CHILD RELATIONSHIPS.

(ii) GROUP MEETINGS OF PARTICIPATING FAMILIES.

(iii) PERIODIC DEVELOPMENTAL SCREENING OF THE CHILD'S OVERALL DEVELOPMENT, HEALTH, HEARING, AND VISION.

(iv) A COMMUNITY RESOURCE NETWORK THAT PROVIDES REFERRALS TO OTHER STATE, LOCAL, AND PRIVATE AGENCIES AS APPROPRIATE TO ASSIST PARENTS IN PREPARING THEIR CHILDREN FOR ACADEMIC SUCCESS AND TO FOSTER THE MAINTENANCE OF STABLE FAMILIES.

(v) CONNECTION WITH QUALITY PRESCHOOL PROGRAMS.

(B) THE PROGRAM MUST BE A COLLABORATIVE COMMUNITY EFFORT THAT INCLUDES AT LEAST THE INTERMEDIATE DISTRICT OR DISTRICT, LOCAL MULTIPURPOSE COLLABORATIVE BODIES, LOCAL HEALTH AND WELFARE AGENCIES, AND PRIVATE NONPROFIT AGENCIES INVOLVED IN PROGRAMS AND SERVICES FOR PRESCHOOL CHILDREN AND THEIR PARENTS.

(3) TO COMPETE FOR A GRANT UNDER THIS SECTION, AN INTERMEDIATE DISTRICT OR DISTRICT SHALL APPLY TO THE SUPERINTENDENT NOT LATER THAN DECEMBER 1, 2000 IN THE FORM AND MANNER PRESCRIBED BY THE SUPERINTENDENT. TO BE CONSIDERED FOR A GRANT UNDER THIS SECTION, A GRANT APPLICATION MUST PROVIDE 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).

(B) DEMONSTRATE AN ADEQUATE COLLABORATION OF LOCAL ENTITIES INVOLVED IN PROVIDING PROGRAMS AND SERVICES FOR PRESCHOOL CHILDREN AND THEIR PARENTS.

(C) PROVIDE EVIDENCE OF A REVIEW AND APPROVAL BY THE LOCAL MULTIPURPOSE COLLABORATIVE BODY OF THE PROGRAM PLAN.

(D) 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 SUCCESSFUL GRANT RECIPIENT SHALL AGREE TO INCLUDE A DATA COLLECTION SYSTEM AND AN EVALUATION TOOL APPROVED BY THE DEPARTMENT TO MEASURE THE IMPACT OF THE PROGRAM ON IMPROVING SCHOOL READINESS, REDUCING THE NUMBER OF CHILDREN NEEDING SPECIAL EDUCATION PROGRAMS AND SERVICES, AND FOSTERING THE MAINTENANCE OF STABLE FAMILIES. 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) FROM THE GENERAL FUND ALLOCATION UNDER SECTION 32A(1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$250,000.00 EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 TO THE DEPARTMENT, INCLUDING THE OFFICE FOR SAFE SCHOOLS, FOR IMPLEMENTATION AND EVALUATION OF ACTIVITIES UNDER THIS SECTION. FURTHER, BEGINNING IN 2000-2001, UPON RECEIPT OF THE FEDERAL DRUG-FREE SCHOOLS GRANT, THE DEPARTMENT SHALL ALLOCATE \$200,000.00 OF THAT GRANT TO THE OFFICE FOR SAFE SCHOOLS WITHIN THE DEPARTMENT.

(6) THE DEPARTMENT AND SUPERINTENDENT SHALL DO ALL OF THE FOLLOWING:

(A) THE DEPARTMENT SHALL MAKE APPLICATIONS AVAILABLE FOR THE PURPOSES OF THIS SECTION NOT LATER THAN OCTOBER 15, 2000.

(B) THE SUPERINTENDENT SHALL APPROVE OR DISAPPROVE APPLICATIONS AND NOTIFY THE APPLYING INTERMEDIATE DISTRICT OR DISTRICT OF THAT DECISION NOT LATER THAN FEBRUARY 1, 2001. PRIORITY IN AWARDING GRANTS SHALL BE GIVEN TO PROGRAMS THAT FOCUS ON REDUCING THE PERCENTAGE OF CHILDREN NEEDING SPECIAL EDUCATION PROGRAMS AND SERVICES WHEN THEY ENTER SCHOOL. THE SUPERINTENDENT SHALL ENSURE THAT THE INTERMEDIATE DISTRICTS AND DISTRICTS RECEIVING GRANTS UNDER THIS SECTION ARE GEOGRAPHICALLY AND ECONOMICALLY DIVERSE AND THAT NOT MORE THAN 10% OF THE TOTAL ALLOCATION UNDER THIS SECTION IS PAID TO ANY 1 PARTICULAR INTERMEDIATE DISTRICT OR DISTRICT.

(C) 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).

(D) THE DEPARTMENT SHALL SUBMIT A REPORT TO THE LEGISLATURE, THE STATE BUDGET DIRECTOR, AND THE SENATE AND HOUSE FISCAL AGENCIES DETAILING THE EVALUATIONS DESCRIBED IN SUBSECTION (4) BY DECEMBER 1 OF EACH YEAR.

(7) AN INTERMEDIATE DISTRICT OR DISTRICT RECEIVING FUNDS UNDER THIS SECTION SHALL USE THE FUNDS ONLY FOR THE PROGRAM FUNDED UNDER THIS SECTION. GRANTS AWARDED BY FEBRUARY 1, 2001 MAY BE USED FOR THE FOLLOWING SCHOOL YEAR.

SEC. 32C. (1) FROM THE GENERAL FUND ALLOCATION IN SECTION 32A(1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$2,000,000.00 EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 TO THE DEPARTMENT FOR GRANTS FOR COMMUNITY-BASED COLLABORATIVE PREVENTION SERVICES DESIGNED TO 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. THIS ALLOCATION 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 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.

(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 WORKGROUP.

(3) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION MAY BE MADE PURSUANT TO AN AGREEMENT WITH THE DEPARTMENT.

SEC. 32D. (1) FROM THE STATE SCHOOL AID FUND ALLOCATION UNDER SECTION 32A(1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$72,600,000.00 EACH FISCAL YEAR FOR 2000-2001, 2001-2002, AND 2002-2003 FOR SCHOOL READINESS 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, PUBLIC LAW 89-10, 108 STAT. 3519, CHAPTER 1 OF TITLE I OF THE HAWKINS-STAFFORD ELEMENTARY AND SECONDARY SCHOOL IMPROVEMENT AMENDMENTS OF 1988, PUBLIC LAW 89-10, 102 STAT. 140, AND THE HEAD START ACT, SUBCHAPTER B OF CHAPTER 8 OF SUBTITLE A OF TITLE VI OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1981, PUBLIC LAW 97-35, COMPREHENSIVE COMPENSATORY PROGRAMS DESIGNED TO 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. A COMPREHENSIVE COMPENSATORY PROGRAM FUNDED UNDER THIS SECTION SHALL INCLUDE AN AGE-APPROPRIATE EDUCATIONAL CURRICULUM, 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. IN ADDITION, FROM THE GENERAL FUND ALLOCATIONS UNDER SECTION 32A(1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$20,200,000.00 FOR 2000-2001, AN AMOUNT NOT TO EXCEED \$25,200,000.00 FOR 2001-2002, AND AN AMOUNT NOT TO EXCEED \$30,200,000.00 FOR 2002-2003 FOR THE PURPOSES OF SUBSECTIONS (2) AND (3).

(2) FROM THE GENERAL FUND ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED EACH FISCAL YEAR FOR 2000-2001, 2001-2002, AND 2002-2003 AN AMOUNT NOT TO EXCEED \$200,000.00 FOR A COMPETITIVE GRANT TO CONTINUE A LONGITUDINAL EVALUATION OF CHILDREN WHO HAVE PARTICIPATED IN THE MICHIGAN SCHOOL READINESS PROGRAM.

(3) FROM THE GENERAL FUND ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$20,000,000.00 FOR 2000-2001, AN AMOUNT NOT TO EXCEED \$25,000,000.00 FOR 2001-2002, AND AN AMOUNT NOT TO EXCEED \$30,000,000.00 FOR 2002-2003 UNDER THIS SUBSECTION TO OPERATE NEW OR EXPANDED FULL-DAY SCHOOL READINESS OR HEAD START PROGRAMS. THE FUNDS SHALL BE ALLOCATED THROUGH A COMPETITIVE GRANT PROCESS TO ELIGIBLE DISTRICTS THAT RECEIVE FUNDING UNDER SUBSECTION (1), TO ELIGIBLE PUBLIC OR NONPROFIT ENTITIES OR AGENCIES THAT RECEIVE FUNDING FOR SCHOOL READINESS PROGRAMS UNDER THE DEPARTMENT APPROPRIATIONS ACT, OR TO ELIGIBLE HEAD START FUNDED PROGRAMS. THE DEPARTMENT SHALL DETERMINE THE COMPETITIVE GRANT CRITERIA. THE DEPARTMENT MAY ACCEPT AVAILABLE FEDERAL FUNDS FROM THE FAMILY INDEPENDENCE AGENCY TO SUPPORT THE PROGRAM UNDER THIS SUBSECTION. THESE FEDERAL FUNDS INCLUDE, BUT ARE NOT LIMITED TO, FEDERAL TEMPORARY ASSISTANCE TO NEEDY FAMILIES FUNDS.

(4) A DISTRICT, ENTITY, OR AGENCY RECEIVING FUNDING UNDER SUBSECTION (3) THAT OFFERS HEAD START OR SCHOOL READINESS PROGRAMS MAY USE THE FUNDS TO EXPAND THE PROGRAM TO OPERATE A FULL DAY.

(5) A DISTRICT, ENTITY, OR AGENCY RECEIVING FUNDING UNDER SUBSECTION (3) SHALL CONTRIBUTE A LOCAL MATCH, WHICH MAY CONSIST OF LOCAL, PRIVATE, OR FEDERAL FUNDS OR IN-KIND SERVICES, TOTALING AT LEAST 50% OF THE ALLOCATION UNDER SUBSECTION (3).

(6) AN APPLICATION FOR A GRANT UNDER SUBSECTION (3) SHALL BE IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT. THE DEPARTMENT SHALL MAKE THE APPLICATION FORM AVAILABLE TO DISTRICTS BY DECEMBER 15 OF THE SCHOOL YEAR. THE APPLICATION SHALL INCLUDE A PROGRAM BUDGET THAT STATES ALL SOURCES OF FUNDING TO BE USED FOR THE PROGRAM. APPLICATIONS SHALL BE SUBMITTED TO THE DEPARTMENT NOT LATER THAN FEBRUARY 1 OF THE SCHOOL YEAR. THE DEPARTMENT SHALL APPROVE OR DISAPPROVE THE APPLICATION AND NOTIFY THE APPLYING DISTRICT, ENTITY, OR AGENCY OF THAT DECISION BY APRIL 1 OF THE SCHOOL YEAR. FUNDS ALLOCATED UNDER SUBSECTION (3) FOR THE CURRENT FISCAL YEAR MAY BE EXPENDED THROUGH THE END OF THE FOLLOWING FISCAL YEAR.

(7) A DISTRICT RECEIVING A GRANT UNDER THIS SECTION MAY CONTRACT FOR THE PROVISION OF THE COMPREHENSIVE COMPENSATORY PROGRAM OR FULL DAY SCHOOL READINESS PROGRAM AND RETAIN FOR ADMINISTRATIVE SERVICES AN AMOUNT EQUAL TO NOT MORE THAN 5% OF THE GRANT AMOUNT.

(8) AS USED IN THIS SECTION, "FULL DAY" MEANS A PROGRAM THAT OFFERS SUPPLEMENTARY DAY CARE AND THEREFORE OFFERS FULL-DAY PROGRAMMING OF AT LEAST 10 HOURS PER DAY AS PART OF ITS SCHOOL READINESS PROGRAM.

(9) NOT MORE THAN 10% OF THE GRANT FUNDING IN THIS SECTION MAY BE USED FOR START-UP, EQUIPMENT, OR OTHER COSTS NOT DIRECTLY RELATED TO THE COSTS OF THE PROGRAM. THIS DOES NOT PROHIBIT ANY APPLICANT FROM RECEIVING OTHER AVAILABLE STATE ASSISTANCE FOR THESE PURPOSES.

(10) A GRANT RECIPIENT RECEIVING FUNDS UNDER THIS SECTION SHALL REPORT TO THE DEPARTMENT NO LATER THAN OCTOBER 15 OF EACH YEAR 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 FAMILY INDEPENDENCE AGENCY 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. 32E. (1) FROM THE STATE SCHOOL AID FUND ALLOCATIONS UNDER SECTION 32A(1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$29,750,000.00 EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 FOR GRANTS TO ELIGIBLE DISTRICTS FOR PROGRAMS TO MAINTAIN OR ESTABLISH SMALL CLASSES IN GRADES K TO 3 IN ELIGIBLE SCHOOL BUILDINGS IN THE DISTRICT.

(2) FOR A SCHOOL BUILDING TO BE ELIGIBLE FOR FUNDING UNDER THIS SECTION, THE SCHOOL BUILDING MUST OPERATE AT LEAST 1 OF GRADES K TO 3; THE SCHOOL BUILDING MUST BE OPERATED BY A DISTRICT THAT OPERATES ALL OF GRADES K TO 12 AND THAT RECEIVES FUNDS UNDER SECTION 31A; AND AT LEAST 50% OF THE ACTUAL PUPILS ENROLLED IN THE SCHOOL BUILDING IN THE IMMEDIATELY PRECEDING FISCAL YEAR MUST HAVE BEEN ELIGIBLE FOR FREE LUNCH, AS DETERMINED UNDER THE RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT, CHAPTER 281, 60 STAT. 230, 42 U.S.C. 1751 TO 1753, 1755 TO 1761, 1762a, 1765 TO 1766a, 1769, 1769b TO 1769c, AND 1769f TO 1769h, AND REPORTED TO THE DEPARTMENT NOT LATER THAN OCTOBER 31 OF THE IMMEDIATELY PRECEDING FISCAL YEAR AND ADJUSTED NOT LATER THAN DECEMBER 31 OF THE IMMEDIATELY PRECEDING FISCAL YEAR.

(3) NOT MORE THAN 25% OF THE TOTAL ALLOCATION UNDER SUBSECTION (1) MAY BE PAID TO ANY 1 PARTICULAR DISTRICT. THE DEPARTMENT SHALL MAKE ALLOCATIONS UNDER SUBSECTION (1) TO AT LEAST 12 DISTRICTS, AND THE DISTRICTS SHALL BE GEOGRAPHICALLY DIVERSE.

(4) A DISTRICT RECEIVING FUNDS UNDER SUBSECTION (1) SHALL USE THE FUNDS TO MAINTAIN OR ESTABLISH SMALL CLASSES IN GRADES K TO 3 IN SCHOOL BUILDINGS OF THE DISTRICT FOR WHICH FUNDS ARE RECEIVED UNDER THIS SECTION. THE AVERAGE CLASS SIZE SHALL BE NOT MORE THAN 17 PUPILS PER CLASS, WITH NOT MORE THAN 19 PUPILS IN ANY PARTICULAR CLASS. EACH FISCAL YEAR, A DISTRICT RECEIVING FUNDS UNDER SUBSECTION (1) SHALL USE AT LEAST \$2,000,000.00 OR 25% OF THE FUNDS THE DISTRICT RECEIVES FOR THE FISCAL YEAR UNDER SECTION 31A, WHICHEVER IS LESS, FOR THE PURPOSES OF THIS SECTION.

(5) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, FUNDING TO DISTRICTS UNDER THIS SECTION FOR 2000-2001 IS INTENDED TO BE FOR THE THIRD OF 5 YEARS OF FUNDING UNDER THIS SECTION AND FORMER SECTION 31C, FUNDING TO DISTRICTS UNDER THIS SECTION FOR 2001-2002 IS INTENDED TO BE FOR THE FOURTH OF 5 YEARS OF FUNDING UNDER THIS SECTION AND FORMER SECTION 31C, AND FUNDING UNDER THIS SECTION FOR 2002-2003 IS INTENDED TO BE FOR THE FIFTH OF 5 YEARS OF FUNDING UNDER THIS SECTION AND FORMER SECTION 31C. FOR DISTRICTS RECEIVING FUNDING UNDER THIS SECTION FOR THE FIRST TIME FROM THE ADDITIONAL \$10,000,000.00 ALLOCATED UNDER THIS SECTION FOR 2000-2001, AS COMPARED TO THE FUNDING UNDER FORMER SECTION 31C, FUNDING TO THOSE DISTRICTS UNDER THIS SECTION FOR 2000-2001 IS INTENDED TO BE FOR THE FIRST OF 3 YEARS OF FUNDING, FUNDING TO THOSE DISTRICTS UNDER THIS SECTION FOR 2001-2002 IS INTENDED TO BE FOR THE SECOND OF 3 YEARS OF FUNDING, AND FUNDING TO THOSE DISTRICTS UNDER THIS SECTION FOR 2002-2003 IS INTENDED TO BE FOR THE THIRD OF 3 YEARS OF FUNDING.

(6) THE FUNDS ALLOCATED UNDER THIS SECTION FOR A FISCAL YEAR MAY BE EXPENDED AFTER THE FISCAL YEAR THROUGH THE END OF EITHER THE FIFTH FISCAL YEAR OF FUNDING UNDER THIS SECTION AND FORMER SECTION 31C OR THE FINAL FISCAL YEAR OF FUNDING UNDER THIS SECTION AND FORMER SECTION 31C, WHICHEVER OCCURS EARLIER.

SEC. 32F. (1) FROM THE STATE SCHOOL AID FUND ALLOCATION UNDER SECTION 32A(1), THERE IS ALLOCATED EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 AN AMOUNT NOT TO EXCEED \$72,500,000.00, FOR GRANTS UNDER THIS SECTION. FROM THE GENERAL FUND ALLOCATION UNDER SECTION 32A(1), THERE IS ALLOCATED EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 AN AMOUNT NOT TO EXCEED \$2,750,000.00 FOR THE PURPOSES OF SUBSECTIONS (5) AND (6).

(2) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 AN AMOUNT NOT TO EXCEED \$15,000,000.00 FOR PROVIDING GRANTS TO DISTRICTS AND PUBLIC SCHOOL ACADEMIES WITH SPECIAL EDUCATION MEMBERSHIP THAT IS AT LEAST 10% OF THE DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S TOTAL MEMBERSHIP FOR 1998-99. GRANTS UNDER THIS SUBSECTION ARE TO BE AWARDED TO DISTRICTS AND PUBLIC SCHOOL ACADEMIES THAT ARE ELIGIBLE UNDER THIS SUBSECTION ON AN EQUAL BASIS BASED ON SPECIAL EDUCATION MEMBERSHIP ONLY, AND SHALL BE EXPENDED FOR PROVIDING STUDENT INTERVENTION PROGRAMS CONDUCTED IN CONJUNCTION WITH THE DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S EXISTING READING INSTRUCTION PROGRAM. THE GOAL OF THE NEW PROGRAM SHALL BE TO REDUCE THE ELIGIBLE DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S NUMBER OF PUPILS CATEGORIZED AS LEARNING DISABLED. A DISTRICT OR PUBLIC SCHOOL ACADEMY DOES NOT HAVE TO MEET THE ELIGIBILITY REQUIREMENTS UNDER SUBSECTION (7) TO BE ELIGIBLE FOR FUNDING UNDER THIS SUBSECTION.

(3) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 AN AMOUNT NOT TO EXCEED \$5,000,000.00 FOR PROVIDING GRANTS TO THE 8 REGIONAL LITERACY CENTERS FOR THE PURPOSES OF EXPANDING TRAINING PROGRAMS FOR TRAINERS AND TEACHERS IN THE USE OF STRATEGIES FOR READING INSTRUCTION AND ASSESSMENT, INCLUDING THE MICHIGAN LITERACY PROGRESS PROFILE.

(4) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 AN AMOUNT NOT TO EXCEED \$2,500,000.00 FOR COMPETITIVE GRANTS TO HIGHER EDUCATION INSTITUTIONS FOR THE DEVELOPMENT OR ENHANCEMENT OF PROGRAMS TO MEET THE NEEDS OF AUTISM IMPAIRED PUPILS. THESE PROGRAMS MAY INCLUDE, BUT ARE NOT LIMITED TO, STUDENT INTERVENTION CENTERS ON CAMPUS.

(5) FROM THE GENERAL FUND ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED TO THE DEPARTMENT EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 AN AMOUNT NOT TO EXCEED \$2,500,000.00 FOR THE DEVELOPMENT AND DISSEMINATION OF READ, EDUCATE, AND DEVELOP YOUTH (READY) KITS TO PARENTS OF PRESCHOOL AND KINDERGARTEN CHILDREN TO PROVIDE THESE PARENTS WITH INFORMATION ABOUT HOW THEY CAN PREPARE THEIR CHILDREN FOR READING SUCCESS.

(6) FROM THE GENERAL FUND ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED TO THE DEPARTMENT EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 AN AMOUNT NOT TO EXCEED \$250,000.00 FOR THE GRANT REVIEW PROCESS AND GRANT ADMINISTRATION UNDER THIS SECTION.

(7) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2), TO BE ELIGIBLE FOR A GRANT UNDER THIS SECTION, A DISTRICT MUST HAVE HAD AT LEAST 1,500 PUPILS IN MEMBERSHIP IN 1998-99, AND THE NUMBER OF PUPILS IN THE DISTRICT THAT HAVE BEEN DETERMINED TO HAVE A SPECIFIC LEARNING DISABILITY ACCORDING TO R 340.1713 OF THE MICHIGAN ADMINISTRATIVE CODE, AS DETERMINED IN THE DECEMBER 1, 1998 HEAD COUNT REQUIRED UNDER THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT, TITLE VI OF PUBLIC LAW 91-230, MUST EQUAL OR EXCEED 5% OF THE DISTRICT'S MEMBERSHIP. IN ADDITION, A DISTRICT IS ELIGIBLE FOR A GRANT UNDER THIS SECTION IF THE DISTRICT HAD AT LEAST 1,500 PUPILS IN MEMBERSHIP IN 1998-99 AND IF NOT MORE THAN 41% OF THE DISTRICT'S PUPILS WHO TOOK THE SPRING 1999 FOURTH GRADE MEAP READING TEST ACHIEVED A SCORE OF AT LEAST SATISFACTORY. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2), FOR A PUBLIC SCHOOL ACADEMY TO BE ELIGIBLE FOR A GRANT UNDER THIS SECTION, THE PUBLIC SCHOOL ACADEMY MUST BE LOCATED IN A DISTRICT THAT IS ELIGIBLE UNDER THIS SUBSECTION.

(8) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 AN AMOUNT NOT TO EXCEED \$50,000,000.00 FOR COMPETITIVE GRANTS TO ELIGIBLE DISTRICTS, TO INTERMEDIATE DISTRICTS, AND TO PUBLIC SCHOOL ACADEMIES LOCATED WITHIN ELIGIBLE DISTRICTS FOR READING IMPROVEMENTS PROGRAMS FOR PUPILS IN GRADES K TO 4, READING DISORDERS AND READING METHODS PROGRAMS, MENTORING PROGRAMS, LANGUAGE AND LITERACY OUTREACH PROGRAMS, OR COGNITIVE DEVELOPMENT PROGRAMS.

(9) IF A DISTRICT OR PUBLIC SCHOOL ACADEMY MEETS THE ELIGIBILITY CRITERIA UNDER BOTH SUBSECTIONS (2) AND (7), THE DISTRICT OR PUBLIC SCHOOL ACADEMY MAY RECEIVE FUNDING ONLY UNDER 1 OF SUBSECTION (2) OR (8), AS ELECTED BY THE DISTRICT OR PUBLIC SCHOOL ACADEMY.

(10) TO QUALIFY FOR FUNDING UNDER THIS SECTION, A PROPOSED READING IMPROVEMENT PROGRAM MUST MEET ALL OF THE FOLLOWING:

(A) THE PROGRAM SHALL INCLUDE ASSESSMENT OF READING SKILLS OF PUPILS IN GRADES K TO 4 TO IDENTIFY THOSE PUPILS WHO ARE READING BELOW GRADE LEVEL AND MUST PROVIDE SPECIAL READING ASSISTANCE FOR THESE PUPILS.

(B) THE PROGRAM SHALL BE A RESEARCH-BASED, VALIDATED, STRUCTURED READING PROGRAM.

(C) THE PROGRAM SHALL INCLUDE CONTINUOUS ASSESSMENT OF PUPILS AND INDIVIDUALIZED EDUCATION PLANS FOR PUPILS.

(D) THE PROGRAM SHALL ALIGN LEARNING RESOURCES TO STATE STANDARDS.

(E) FOR EACH SCHOOL BUILDING RECEIVING FUNDING UNDER THIS SECTION FOR A READING IMPROVEMENT PROGRAM, THE PROGRAM SHALL SERVE AT LEAST 25% OF PUPILS WHO ARE IDENTIFIED AS AT-RISK, AS DETERMINED BY THE MICHIGAN LITERACY PROGRESS PROFILE, OF READING FAILURE, AND THE AMOUNT OF THE GRANT SHALL NOT EXCEED \$85,000.00 PER SCHOOL BUILDING ANNUALLY.

(11) FUNDS ALLOCATED FOR PROGRAMS DESCRIBED IN SUBSECTION (10) MAY BE USED TO REIMBURSE GRANT RECIPIENTS FOR FUNDS PAID BY DISTRICTS FOR UP TO 1/2 OF THE SALARIES AND BENEFITS FOR EACH TEACHER TRAINED AND CERTIFIED TO PROVIDE A READING IMPROVEMENT PROGRAM.

(12) TO QUALIFY FOR FUNDING UNDER THIS SECTION, A PROPOSED MENTORING PROGRAM MUST BE A RESEARCH-BASED, VALIDATED PROGRAM OR A STATEWIDE 1-TO-1 MENTORING PROGRAM TO ENHANCE THE INDEPENDENCE AND LIFE QUALITY OF PUPILS WHO ARE MENTALLY IMPAIRED BY PROVIDING OPPORTUNITIES FOR MENTORING AND INTEGRATED EMPLOYMENT.

(13) TO QUALIFY FOR FUNDING UNDER THIS SECTION, A PROPOSED COGNITIVE DEVELOPMENT PROGRAM MUST BE A RESEARCH-BASED, VALIDATED EDUCATIONAL SERVICE PROGRAM, FOCUSED ON ASSESSING AND BUILDING ESSENTIAL COGNITIVE AND PERCEPTUAL LEARNING ABILITIES TO STRENGTHEN PUPIL CONCENTRATION AND LEARNING.

(14) TO QUALIFY FOR FUNDING UNDER THIS SECTION, A PROPOSED STRUCTURED MENTORING-TUTORIAL READING PROGRAM FOR PRESCHOOL TO GRADE 4 PUPILS MUST BE A RESEARCH-BASED, VALIDATED PROGRAM THAT DEVELOPS INDIVIDUALIZED INSTRUCTIONAL PLANS BASED ON EACH PUPIL'S AGE, ASSESSED NEEDS, READING LEVEL, INTERESTS, AND LEARNING STYLE.

(15) A PROGRAM RECEIVING FUNDING UNDER THIS SECTION MAY BE CONDUCTED OUTSIDE OF REGULAR SCHOOL HOURS OR OUTSIDE THE REGULAR SCHOOL CALENDAR.

(16) TO COMPETE FOR A GRANT UNDER THIS SECTION, AN APPLICANT SHALL APPLY TO THE SUPERINTENDENT IN THE FORM AND MANNER PRESCRIBED BY THE SUPERINTENDENT. THE DEPARTMENT SHALL MAKE APPLICATIONS AVAILABLE FOR THIS PURPOSE. AN APPLICANT SHALL INCLUDE IN ITS APPLICATION A PROJECTED BUDGET FOR THE PROGRAMS. THE GRANT RECIPIENT 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.

(17) THE SUPERINTENDENT SHALL APPROVE OR DISAPPROVE APPLICATIONS AND NOTIFY THE APPLICANT OF THAT DECISION. PRIORITY IN AWARDING GRANTS SHALL BE GIVEN TO PROGRAMS THAT FOCUS ON ACCELERATING STUDENT ACHIEVEMENT ON A COST-EFFECTIVE BASIS, REDUCING THE NUMBER OF PUPILS REQUIRING SPECIAL EDUCATION PROGRAMS AND SERVICES, AND IMPROVING PUPIL SCORES ON STANDARDIZED TESTS AND ASSESSMENTS.

(18) A GRANT RECIPIENT RECEIVING FUNDS UNDER THIS SECTION SHALL REPORT TO THE DEPARTMENT, IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT, ON THE RESULTS ACHIEVED BY THE PROGRAM. AT A MINIMUM, THE GRANT RECIPIENT SHALL REPORT TO THE DEPARTMENT BY OCTOBER 15 REGARDING THE PROGRAM'S IMPACT ON REDUCING THE NUMBER OF PUPILS REQUIRING SPECIAL EDUCATION PROGRAMS AND SERVICES AND ON IMPROVING PUPIL SCORES ON STANDARDIZED TESTS AND ASSESSMENTS, AND INFORMATION ON THE COSTS AND BENEFITS PER UNIT OF PUPIL IMPROVEMENT. IN ADDITION, THE REPORT SHALL STATE THE NUMBER OF PUPILS ELIGIBLE FOR FREE OR REDUCED PRICE SCHOOL LUNCH WHO RECEIVED SERVICES UNDER THE PROGRAM AND THE TOTAL NUMBER OF PUPILS WHO RECEIVED SERVICES UNDER THE PROGRAM. NOT LATER THAN NOVEMBER 15 OF EACH FISCAL YEAR, THE DEPARTMENT SHALL SUBMIT A REPORT TO THE LEGISLATURE, THE STATE BUDGET DIRECTOR, AND THE SENATE AND HOUSE FISCAL AGENCIES DETAILING THE RESULTS OF THE PROGRAMS. IT IS THE INTENT OF THE LEGISLATURE THAT FURTHER FUNDING FOR THE PROGRAMS UNDER THIS SECTION WILL REFLECT THE RESULTS ACHIEVED IN THESE PROGRAMS.

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

(20) IF THE MAXIMUM AMOUNT APPROPRIATED UNDER THIS SECTION EXCEEDS THE AMOUNT NECESSARY TO FULLY FUND ALLOCATIONS UNDER THIS SECTION, THAT EXCESS AMOUNT SHALL NOT BE EXPENDED IN THAT STATE FISCAL YEAR BUT SHALL INSTEAD BE CARRIED FORWARD TO THE SUCCEEDING FISCAL YEAR AND ADDED TO ANY FUNDS APPROPRIATED FOR THAT FISCAL YEAR FOR EXPENDITURE IN THAT FISCAL YEAR.

SEC. 32G. (1) FROM THE STATE SCHOOL AID FUND ALLOCATION UNDER SECTION 32A(1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$38,000,000.00 EACH FISCAL YEAR FOR 2000-2001 AND FOR 2001-2002, AND AN AMOUNT NOT TO EXCEED \$50,000,000.00 FOR 2002-2003 FOR PAYMENTS TO DISTRICTS TO PROVIDE SUMMER SCHOOL INSTRUCTION IN READING AND MATHEMATICS FOR PUPILS IN GRADE 1, 2, 3, OR 4.

(2) IN ORDER TO IMPROVE ELEMENTARY SCHOOL PUPIL ACHIEVEMENT, DISTRICTS MAY PROVIDE SUMMER SCHOOL INSTRUCTION IN READING AND MATHEMATICS. THE DEPARTMENT SHALL DEVELOP A MODEL SUMMER MATHEMATICS PROGRAM FOR PUPILS WHO ATTENDED GRADE 1, 2, 3, OR 4 IN THE SCHOOL YEAR THAT JUST ENDED AND WHO HAVE DEMONSTRATED THE NEED FOR ADDITIONAL MATHEMATICS SKILLS TRAINING, AS EVIDENCED BY STANDARDIZED TEST RESULTS ON

TESTS APPROVED BY THE DEPARTMENT FOR THIS PURPOSE. THE MODEL MATHEMATICS PROGRAM SHALL BE IN CONFORMANCE WITH THE NATIONAL EDUCATION GOALS AND SHALL ALSO MEET CRITERIA FOR DED-OESE, TITLE I PROGRAM FUNDING.

(3) TO BE ELIGIBLE TO PARTICIPATE IN SUMMER SCHOOL INSTRUCTION FUNDED UNDER THIS SECTION DURING A PARTICULAR SUMMER, A PUPIL SHALL HAVE BEEN ENROLLED IN GRADE 1, 2, 3, OR 4 IN THE SCHOOL YEAR THAT JUST ENDED AND SHALL MEET AT LEAST 1 OF THE FOLLOWING CRITERIA:

(A) ACHIEVED LESS THAN SATISFACTORY RESULTS, AS DETERMINED BY THE DISTRICT, IN THE MATHEMATICS OR READING PORTION OF A DEPARTMENT-APPROVED ANNUAL STANDARDIZED ASSESSMENT OF GRADE-APPROPRIATE BASIC EDUCATIONAL SKILLS.

(B) SCORED IN THE LOW PERFORMANCE CATEGORY OF THE MATHEMATICS OR READING PORTION OF THE GRADE 4 MICHIGAN EDUCATION ASSESSMENT PROGRAM (MEAP) TEST.

(4) AN APPLICATION FOR FUNDING UNDER THIS SECTION SHALL BE SUBMITTED TO THE DEPARTMENT FOR APPROVAL, IN A MANNER AND ON FORMS PRESCRIBED BY THE DEPARTMENT, BY A DATE SPECIFIED BY THE DEPARTMENT.

(5) A DISTRICT THAT RECEIVES FUNDING UNDER THIS SECTION SHALL, AT A MINIMUM, OFFER SUMMER SCHOOL INSTRUCTION UNDER THIS SECTION FOR PUPILS WHO WERE ENROLLED IN GRADE 3 IN THE SCHOOL YEAR THAT JUST ENDED AND MET THE CRITERIA DESCRIBED IN SUBSECTION (3)(A).

(6) A DISTRICT THAT RECEIVES FUNDING UNDER THIS SECTION SHALL PROVIDE A MINIMUM OF 6 WEEKS OF PUPIL INSTRUCTION UNDER THIS SECTION IN MATHEMATICS AND READING. IN ADDITION, APPLICATIONS FOR FUNDING MAY INCLUDE THE PROVISION OF AUXILIARY SERVICES BY THE DISTRICT IN A MANNER DETERMINED BY THE DISTRICT FOR SUCH SERVICES AS SCHOOL LUNCH AND TRANSPORTATION AS IS NECESSARY TO ENCOURAGE PUPIL PARTICIPATION.

(7) A DISTRICT APPLYING FOR FUNDING UNDER THIS SECTION MUST IDENTIFY MONEY FROM OTHER SOURCES AVAILABLE TO THE DISTRICT THAT WILL BE USED TO SUPPORT AT LEAST 50% OF THE TOTAL COSTS OF THE SUMMER SCHOOL PROGRAM.

(8) GRANT AWARDS UNDER THIS SECTION SHALL BE DISTRIBUTED IN ACCORDANCE WITH THE FOLLOWING:

(A) EIGHTY PERCENT OF THE AMOUNT PROVIDED TO A GRANT RECIPIENT SHALL BE BASED ON ENROLLMENT OF ELIGIBLE PARTICIPANTS.

(B) TWENTY PERCENT OF THE AMOUNT PROVIDED TO A GRANT RECIPIENT SHALL BE BASED ON MEASURED IMPROVEMENT IN READING OR MATHEMATICS, AS APPLICABLE.

(9) FUNDS ALLOCATED TO A DISTRICT UNDER THIS SECTION SHALL NOT BE USED TO SUPPLANT OTHER STATE OR FEDERAL FUNDS ALLOCATED TO THE DISTRICT FOR SIMILAR PURPOSES.

(10) SUBJECT TO PROGRAM CAPACITY, A PUPIL WHO WAS ENROLLED IN GRADE 1, 2, 3, OR 4 IN THE SCHOOL YEAR THAT JUST ENDED BUT WHO DOES NOT OTHERWISE MEET THE ELIGIBILITY CRITERIA UNDER THIS SECTION MAY RECEIVE SUMMER SCHOOL INSTRUCTION DESCRIBED IN THIS SECTION UPON THE PAYMENT OF TUITION. THE TUITION LEVEL SHALL BE DETERMINED BY THE DISTRICT BUT SHALL NOT EXCEED ACTUAL OPERATING COSTS.

(11) A DISTRICT RECEIVING FUNDING UNDER THIS SECTION SHALL REPORT ON THE RESULTS ACHIEVED BY THE SUMMER SCHOOL PROGRAM IN A MANNER PRESCRIBED BY THE DEPARTMENT. AT A MINIMUM, THE GRANT RECIPIENT SHALL REPORT TO THE DEPARTMENT BY OCTOBER 15 REGARDING THE PROGRAM'S IMPACT ON REDUCING THE NUMBER OF PUPILS REQUIRING SPECIAL EDUCATION PROGRAMS AND SERVICES AND ON IMPROVING PUPIL SCORES ON STANDARDIZED TESTS AND ASSESSMENTS, AND INFORMATION ON THE COSTS AND BENEFITS PER UNIT OF PUPIL IMPROVEMENT. IN ADDITION, THE REPORT SHALL STATE THE NUMBER OF PUPILS ELIGIBLE FOR FREE OR REDUCED PRICE SCHOOL LUNCH WHO RECEIVED SERVICES UNDER THE PROGRAM AND THE TOTAL NUMBER OF PUPILS WHO RECEIVED SERVICES UNDER THE PROGRAM. NOT LATER THAN NOVEMBER 15 OF EACH FISCAL YEAR, THE DEPARTMENT SHALL SUBMIT A REPORT TO THE LEGISLATURE, THE STATE BUDGET DIRECTOR, AND THE SENATE AND HOUSE FISCAL AGENCIES DETAILING THE RESULTS OF THE PROGRAMS.

(12) BEGINNING IN 2000-2001, NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

(13) DISTRICTS MAY FORM CONSORTIA OR ENTER INTO COOPERATIVE ARRANGEMENTS FOR OPERATING PROGRAMS AND OBTAINING FUNDING UNDER THIS SECTION.

(14) 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.

SEC. 32H. FROM THE SCHOOL AID FUND ALLOCATION UNDER SECTION 32A(1), THERE IS ALLOCATED EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 AN AMOUNT NOT TO EXCEED \$10,000,000.00 TO PROVIDE ADDITIONAL RESOURCES FOR COORDINATING COUNSELING SERVICES OR FOR PAYMENTS TO DISTRICTS TO MAKE TUITION GRANTS FOR HIGHER EDUCATION PROGRAMS THAT LEAD TO A DEGREE IN SCHOOL COUNSELING.

Sec. 33. (1) From the state school aid fund appropriation in section 11, there is allocated an amount not to exceed \$15,000,000.00 for 1999-2000 only to a district that is a school district of the first class under the revised school code.

(2) FROM THE STATE SCHOOL AID FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$15,000,000.00 FOR 2000-2001 ONLY TO A DISTRICT THAT IS A QUALIFYING SCHOOL DISTRICT UNDER PART 5A OF THE REVISED SCHOOL CODE, MCL 380.371 TO 380.376, OR THAT IS THE SUBJECT OF INTERVENTION UNDER A SUBSTANTIALLY SIMILAR PROVISION OF THE REVISED SCHOOL CODE. IF MORE THAN 1 DISTRICT QUALIFIES FOR FUNDING UNDER THIS SUBSECTION, THE FUNDS SHALL BE ALLOCATED ON AN EQUAL PER-PUPIL BASIS.

(3) Funds allocated under this section are for measures to improve student performance, including, but not limited to, enhanced school security and reading readiness programs.

SEC. 35. (1) FROM THE GENERAL FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$10,000,000.00 FOR 1999-2000 ONLY TO THE FAMILY INDEPENDENCE AGENCY FOR GRANTS TO SUPPORT A FAMILY OPPORTUNITY PROJECT FOR FAMILIES RECEIVING FAMILY INDEPENDENCE PROGRAM BENEFITS WHO ARE EXPECTED TO WORK BUT HAVE NOT YET BEEN SUCCESSFUL IN OBTAINING EMPLOYMENT.

(2) THE FAMILY OPPORTUNITY PROJECT SHALL BE FUNDED BY GRANTS DISTRIBUTED THROUGH A REQUEST FOR PROPOSALS PROCESS ESTABLISHED BY THE FAMILY INDEPENDENCE AGENCY. PROJECTS AWARDED FUNDING FOR THIS PROGRAM SHALL COMPLY WITH ALL OF THE FOLLOWING:

(A) PROVIDE OPPORTUNITIES FOR FAMILIES TO IMPROVE FAMILY LITERACY, PARENTING SKILLS, HOME AND LIFE MANAGEMENT SKILLS, AND WORKFORCE READINESS SKILLS AND TO PARTICIPATE IN COMMUNITY VOLUNTEERING.

(B) REQUIRE MANDATORY PARTICIPATION OF THE FAMILY.

(C) PROVIDE ON-SITE CHILD CARE AND OTHER AUXILIARY SERVICES NECESSARY FOR FAMILY PARTICIPATION.

(D) USE LOCAL COMMUNITY SERVICE PROVIDERS INCLUDING, BUT NOT LIMITED TO, DISTRICTS, INTERMEDIATE DISTRICTS, COMMUNITY COLLEGES, LOCAL GOVERNMENTS, MICHIGAN WORKS AGENCIES, AND COMMUNITY-BASED ORGANIZATIONS.

(3) 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.

Sec. 37. (1) A district is eligible for an allocation under section 36 OR, BEGINNING IN 2000-2001, 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 36 OR, BEGINNING IN 2000-2001, SECTION 32D, and how that calculation was made.

(b) The estimated number of children in the community who meet the criteria of section 36 OR, BEGINNING IN 2000-2001, 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 36 OR, BEGINNING IN 2000-2001, SECTION 32D, including a verification of physical facility and staff resources capacity.

(d) The estimated number of children who meet the criteria of section 36 OR, BEGINNING IN 2000-2001, 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 standards of quality and curriculum guidelines for early childhood programs for 4-year-olds.

(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, including, but not limited to, a valid teaching certificate and an early childhood (ZA) endorsement. 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 teaching certificate and may have a child development associate credential (CDA) instead of an early childhood (ZA) endorsement.

(ii) Paraprofessionals possessing proper training in early childhood development or who have completed at least 1 course in an appropriate training program, including, but not limited to, a child development associate credential (CDA) or associate degree in child development or other similar program, as approved by the department.

(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 36 OR, BEGINNING IN 2000-2001, UNDER SECTION 32D shall be limited to the portion of approved costs attributable to educationally disadvantaged children.

(e) The district has established a 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.

(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 using criteria approved by the department. At a minimum, the evaluations shall include assessment of the gains in educational readiness and progress through first grade of children participating in the school readiness program.

(g) More than 50% of the children participating in the program meet the income eligibility criteria for free or reduced price lunch, as determined under the RICHARD B. RUSSELL national school lunch act, chapter 281, 60 Stat. 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to ~~1766b~~ 1766a, ~~and~~ 1769, 1769b TO 1769c, AND 1769f to 1769h, or meet the income and all other eligibility criteria for the family independence agency unified child day care program.

(4) A consortium of 2 or more districts shall be eligible for an allocation under section 36 OR, BEGINNING IN 2000-2001, 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 36 OR, BEGINNING IN 2000-2001, SECTION 32D, who meet the income eligibility criteria for free or reduced price lunch or the income and all other eligibility criteria for the family independence agency unified child day care program, and who will participate in a school readiness program funded under section 36 OR, BEGINNING IN 2000-2001, SECTION 32D.

Sec. 38. The maximum number of prekindergarten children construed to be in need of special readiness assistance under section 36 OR, BEGINNING IN 2000-2001, SECTION 32D shall be calculated for each district in the following manner: one-half of the percentage of the district's pupils in grades 1-5 who are eligible for free lunch, as determined by the district's October count in the immediately preceding school year under the RICHARD B. RUSSELL national school lunch act, chapter 281, 60 Stat. 230, 42 U.S.C. 1751 to 1753, 1755 to 1761, 1762a, 1765 to ~~1769b~~ 1766a, ~~and~~ 1769, 1769b TO 1769c, AND 1769f to 1769h, as reported to the department not later than December 31 of the immediately preceding fiscal year, shall be multiplied by the average kindergarten enrollment of the district on the pupil membership count day of the 2 immediately preceding years.

Sec. 39. (1) The tentative allocation for each fiscal year to each eligible district under section 36 OR, BEGINNING IN 2000-2001, SECTION 32D shall be determined by multiplying the number of children determined in section 38 or

the number of children the district indicates it will be able to serve under section 37(2)(c), whichever is less, by \$3,100.00 OR, BEGINNING IN 2000-2001, BY \$3,300.00 and shall be distributed among districts in decreasing order of concentration of eligible children as determined by section 38 until the money allocated in section 36 OR, BEGINNING IN 2000-2001, SECTION 32D is distributed.

(2) A district that has not less than 50 eligible children shall receive priority over other eligible districts other than those districts funded under subsection (3).

(3) A district that received funds under this section in at least 1 of the 2 immediately preceding fiscal years shall receive priority in funding over other eligible districts. However, funding beyond 3 state fiscal years is contingent upon the availability of funds and documented evidence satisfactory to the department of compliance with all operational, fiscal, administrative, and other program requirements.

(4) A district that offers supplementary day care funded by funds other than those received under this section and therefore offers full-day programs as part of its early childhood development program shall receive priority in the allocation of funds under this section over other eligible districts other than those districts funded under subsection (3).

(5) For any district with 315 or more eligible pupils, the number of eligible pupils shall be 65% of the number calculated under section 38. However, none of these districts may have less than 315 pupils for purposes of calculating the tentative allocation under section 36 OR, BEGINNING IN 2000-2001, SECTION 32D.

(6) If, taking into account the total amount to be allocated to the district as calculated under this section, a district determines that it is able to include additional eligible children in the school readiness program without additional funds under this section, the district may include additional eligible children but shall not receive additional funding under this section for those children.

Sec. 40. The department biennially shall review alternative methods to determine the number of children construed to be in need of special readiness assistance and shall report not later than November 15 of each even-numbered year its findings and recommendations to the senate and house appropriations subcommittees responsible for district funding and the senate and house committees responsible for education legislation and the ~~department of management and budget~~ STATE BUDGET DIRECTOR.

Sec. 41. From the appropriation in section 11, there is allocated an amount not to exceed \$4,212,000.00 each fiscal year ~~for 1998-99, for 1999-2000, and for 2000-2001, FOR 2001-2002, AND FOR 2002-2003,~~ to applicant districts and intermediate districts offering programs of bilingual 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 bilingual instruction in speaking, reading, writing, or comprehension of pupils of limited English-speaking ability.

Sec. 51a. (1) ~~From the appropriation in section 11, there is allocated for 1998-99 an amount not to exceed \$735,059,400.00 from state sources and all available federal funding under sections 611 to 619 of part B of the individuals with disabilities education act, title VI of Public Law 91-230, 20 U.S.C. 1411 to 1419, estimated at \$120,000,000.00, plus any carryover federal funds from previous year appropriations; there is allocated for 1999-2000 an amount not to exceed \$789,643,900.00 \$777,631,900.00 from state sources and all available federal funding UNDER SECTIONS 611 TO 619 OF PART B OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT, TITLE VI OF PUBLIC LAW 91-230, 20 U.S.C. 1411 TO 1419, estimated at \$120,000,000.00 \$125,000,000.00, plus any carryover federal funds from previous year appropriations; and there is allocated for 2000-2001 an amount not to exceed \$846,252,600.00 \$746,121,900.00 from state sources and all available federal funding, estimated at \$120,000,000.00 \$145,000,000.00, plus any carryover federal funds from previous year appropriations; THERE IS ALLOCATED FOR 2001-2002 AN AMOUNT NOT TO EXCEED \$805,861,900.00 FROM STATE SOURCES AND ALL AVAILABLE FEDERAL FUNDING, ESTIMATED AT \$145,000,000.00, PLUS ANY CARRYOVER FEDERAL FUNDS FROM PREVIOUS YEAR APPROPRIATIONS; AND THERE IS ALLOCATED FOR 2002-2003 AN AMOUNT NOT TO EXCEED \$863,811,900.00 FROM STATE SOURCES AND ALL AVAILABLE FEDERAL FUNDING, ESTIMATED AT \$145,000,000.00, 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.

(2) From the funds allocated under subsection (1), there is allocated ~~for 1998-99, for 1999-2000, and for 2000-2001, FOR 2001-2002, AND FOR 2002-2003~~ the amount necessary, estimated at ~~\$622,459,400.00 for 1998-99, \$677,953,200.00~~ \$656,000,000.00 for 1999-2000, ~~and \$734,696,200.00~~ \$126,000,000.00 for 2000-2001,

\$136,000,000.00 FOR 2001-2002, AND \$147,000,000.00 FOR 2002-2003, 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 ~~each fiscal year for 1999-2000 and 2000-2001 only~~, 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, 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, and ~~each fiscal year for 1999-2000 and 2000-2001 only~~, that district's per pupil allocation under section 20j(2). HOWEVER, BEGINNING IN 2002-2003, THE \$6,500.00 AMOUNT PRESCRIBED IN THIS SUBDIVISION 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.

(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 1998-99, for 1999-2000, and for 2000-2001~~ the amount necessary, estimated at ~~\$34,860,300.00 for 1998-99, \$34,150,000.00 for 1999-2000, and \$30,926,000.00 for 2000-2001~~, \$38,300,000.00 to make payments to districts and intermediate districts under this subsection. If the amount allocated to a district or intermediate district for ~~1998-99, 1999-2000, or 2000-2001~~ 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 ~~1998-99, for 1999-2000, or for 2000-2001 or all of them as applicable~~, 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 ~~1998-99, 1999-2000, or 2000-2001~~ THE FISCAL YEAR. This adjustment is to reflect reductions in special education program operations between 1996-97 and ~~1998-99, 1999-2000, or 2000-2001, as applicable~~ SUBSEQUENT FISCAL YEARS. BEGINNING IN 2000-2001, ADJUSTMENTS FOR REDUCTIONS IN SPECIAL EDUCATION PROGRAM OPERATIONS SHALL BE MADE IN A MANNER DETERMINED BY THE DEPARTMENT AND SHALL INCLUDE ADJUSTMENTS FOR PROGRAM 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 each fiscal year may be allocated by the department ~~for 1998-99, for 1999-2000, and for 2000-2001~~, FOR 2001-2002, AND FOR 2002-2003 to districts or intermediate districts 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 1998-99, for 1999-2000, and for 2000-2001~~, FOR 2001-2002, AND FOR 2002-2003 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) Reimbursement for ancillary and other related services, as defined by R 340.1701 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 1998-99~~, for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR 2002-2003 an amount not to exceed \$15,313,900.00 each fiscal year 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 1998-99~~, for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR 2002-2003 the amount necessary, estimated at ~~\$10,087,800.00 for 1998-99, and \$10,587,200.00~~ \$11,100,000.00 for 1999-2000, ~~and \$11,178,400.00~~ \$7,700,000.00 for 2000-2001, \$8,140,000.00 FOR 2001-2002, AND \$8,350,000.00 FOR 2002-2003 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 ~~each fiscal year for 1999-2000 and 2000-2001 only~~, 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, 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, and ~~each fiscal year for 1999-2000 and 2000-2001 only~~, that district's per pupil allocation under section 20j(2). HOWEVER, BEGINNING IN 2002-2003, 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. 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, BEGINNING IN 2000-2001, 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) BEGINNING IN 2000-2001, 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 THE STATE OF MICHIGAN, MICHIGAN SUPREME COURT DOCKET NO. 104458-104492, FROM THE ALLOCATION UNDER SECTION 51A(1), THERE IS ALLOCATED FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 THE AMOUNT NECESSARY, ESTIMATED AT \$540,300,000.00 FOR 2000-2001, \$583,000,000.00 FOR 2001-2002, AND \$629,100,000.00 FOR 2002-2003, 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.

Sec. 53a. (1) ~~Reimbursement~~ FOR DISTRICTS, REIMBURSEMENT FOR PUPILS DESCRIBED IN SUBSECTION (2), REIMBURSEMENT 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 ~~each fiscal year for 1999-2000 and 2000-2001 only~~, minus the amount of the district's per pupil allocation under section 20j(2). ; FOR INTERMEDIATE DISTRICTS, REIMBURSEMENT FOR PUPILS DESCRIBED IN SECTION (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, AND THAT DISTRICT'S PER PUPIL ALLOCATION UNDER SECTION 20J(2). HOWEVER, BEGINNING IN 2002-2003, 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.

(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) ~~(2)~~ Only those costs that are clearly and directly attributable to educational programs for pupils described in subsection ~~(2)~~ (4), 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) ~~(3)~~ The costs of transportation shall be funded under this section but shall not be reimbursed under section 58.

(5) ~~(4)~~ Not more than \$14,500,000.00 FOR 1999-2000, AND NOT MORE THAN \$14,800,000.00 each fiscal year for ~~1998-99, 1999-2000, and~~ 2000-2001, 2001-2002, AND 2002-2003, of the allocation in section 51a(1) shall be allocated under this section.

(6) FROM THE ALLOCATION IN SUBSECTION (5), THERE IS ALLOCATED EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 AN AMOUNT NOT TO EXCEED \$150,000.00 TO AN INTERMEDIATE DISTRICT THAT RECEIVED AT LEAST \$1,000,000.00 FOR 1999-2000 UNDER SUBSECTION (4).

Sec. 54. In addition to the aid received under section 52, 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 each fiscal year for ~~1998-99, 1999-2000, and~~ 2000-2001, 2001-2002, AND 2002-2003 of the allocation in section 51a(1) shall be allocated under this section.

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

(a) "Membership" means for ~~1998-99~~ A PARTICULAR FISCAL YEAR the total membership in ~~1997-98~~ FOR THE IMMEDIATELY PRECEDING FISCAL YEAR of the intermediate district and the districts constituent to the intermediate district. ~~;~~ means for 1999-2000 the total membership in 1998-99 of the intermediate district and the districts constituent to the intermediate district; and means for 2000-2001 the total membership in 1999-2000 of the intermediate district and the districts constituent to the intermediate district.

(b) "Millage levied" means the millage levied for special education pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1743, including a levy for debt service obligations.

(c) "Taxable value" means the total taxable value of the districts constituent to an intermediate district, except that if a district has elected not to come under part 30 of the revised school code, MCL 380.1711 to 380.1743, membership and taxable value of the district shall not be included in the membership and taxable value of the intermediate district.

(2) From the allocation under section 51a(1), there is allocated an amount not to exceed ~~\$33,950,000.00 for 1998-99, \$34,150,000.00~~ \$38,530,000.00 for 1999-2000, ~~and \$35,750,000.00~~ \$38,120,000.00 for 2000-2001, \$44,720,000.00 FOR 2001-2002, AND \$45,360,000.00 FOR 2002-2003 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. ~~that utilizes at least the sum of a district's foundation allowance, as calculated under section 20, plus, each fiscal year for 1999-2000 and 2000-2001 only, the amount of the district's per pupil allocation under section 20j(2), as a required local contribution.~~

(3) ~~Reimbursement for those millages levied in 1997-98 shall be made in 1998-99 at an amount per 1997-98 membership pupil computed by subtracting from \$102,200.00 the 1997-98 taxable value behind each membership pupil, and multiplying the resulting difference by the 1997-98 millage levied. Reimbursement for those millages levied in 1998-99 shall be made in 1999-2000 at an amount per 1998-99 membership pupil computed by subtracting from \$106,800.00 the 1998-99 taxable value behind each membership pupil, and multiplying the resulting difference by the 1998-99 millage levied. Reimbursement for those millages levied in 1999-2000 shall be made in 2000-2001 at an amount per 1999-2000 membership pupil computed by subtracting from \$111,600.00 \$111,700.00 the 1999-2000 taxable value behind each membership pupil, and multiplying the resulting difference by the 1999-2000 millage levied. REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2000-2001 SHALL BE MADE IN 2001-2002 AT AN AMOUNT PER 2000-2001 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING FROM \$118,000.00 THE 2000-2001 TAXABLE VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY THE 2000-2001 MILLAGE LEVIED. REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2001-2002 SHALL BE MADE IN 2002-2003 AT AN AMOUNT PER 2001-2002 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING FROM \$123,500.00 THE 2001-2002 TAXABLE VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY THE 2001-2002 MILLAGE LEVIED.~~

(4) FROM THE ALLOCATION IN SUBSECTION (2), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$3,300,000.00 FOR 1999-2000, AN AMOUNT NOT TO EXCEED \$2,440,000.00 FOR 2000-2001, AN AMOUNT NOT TO EXCEED \$6,820,000.00 FOR 2001-2002, AND AN AMOUNT NOT TO EXCEED \$7,240,000.00 FOR 2002-2003 FOR PAYMENTS TO INTERMEDIATE DISTRICTS UNDER THIS SUBSECTION THAT DO NOT QUALIFY FOR A PAYMENT UNDER SUBSECTION (3) FOR REIMBURSEMENT FOR CHANGES AS A RESULT OF REVISIONS TO THE PERSONAL PROPERTY TAX DEPRECIATION TABLES. THE ALLOCATION FOR 1999-2000 INCLUDES PAYMENTS FOR PRIOR YEAR ADJUSTMENTS IN TAXABLE VALUE FOR CHANGES AS A RESULT OF REVISIONS TO THE PERSONAL PROPERTY TAX DEPRECIATION TABLES. TO RECEIVE A PAYMENT UNDER THIS SUBSECTION, AN INTERMEDIATE DISTRICT SHALL FILE A CLAIM BY JULY 1 OF THE FISCAL YEAR TO THE DEPARTMENT, DETAILING THE LOSS OF REVENUE TO THE INTERMEDIATE DISTRICT'S SPECIAL EDUCATION MILLAGE ATTRIBUTABLE TO THOSE REVISIONS. THE AMOUNT OF THE PAYMENT UNDER THIS SUBSECTION TO EACH INTERMEDIATE DISTRICT SHALL BE AN AMOUNT EQUAL TO THE SAME PROPORTION OF THE TOTAL AMOUNT OF FUNDING AVAILABLE UNDER THIS SUBSECTION AS THE INTERMEDIATE DISTRICT'S CLAIM UNDER THIS SECTION BEARS TO THE TOTAL AMOUNT OF CLAIMS UNDER THIS SUBSECTION AND, NOTWITHSTANDING SECTION 121, SHALL NOT BE ADJUSTED FOR PRIOR YEAR ADJUSTMENTS MORE THAN 2 YEARS AFTER THE END OF THE STATE FISCAL YEAR FOR WHICH PAYMENT UNDER THIS SUBSECTION WAS MADE.

Sec. 57. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$600,000.00 each fiscal year ~~for 1998-99,~~ for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR 2002-2003 to applicant intermediate districts that provide support services for the education of gifted and talented pupils. An intermediate district is entitled to 75% of the actual salary, but not to exceed \$25,000.00 reimbursement for an individual salary, of a support services teacher approved by the department, and not to exceed \$4,000.00 reimbursement for expenditures to support program costs, excluding in-county travel and salary, as approved by the department.

(2) From the appropriation in section 11, there is allocated an amount not to exceed \$400,000.00 each fiscal year ~~for 1998-99~~, for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR 2002-2003 to support part of the cost of summer institutes for gifted and talented students. This amount shall be contracted to applicant intermediate districts in cooperation with a local institution of higher education and shall be coordinated by the department.

(3) From the appropriation in section 11, there is allocated an amount not to exceed \$4,000,000.00 ~~each fiscal year for 1998-99~~, for 1999-2000, and AN AMOUNT NOT TO EXCEED \$5,000,000.00 EACH FISCAL YEAR for 2000-2001, FOR 2001-2002, AND FOR 2002-2003 for the development and operation of comprehensive programs for gifted and talented pupils. An eligible district or consortium of districts shall receive an amount not to exceed ~~\$50.00~~ \$100.00 per K-12 pupil for up to 5% of the district's or consortium's K-12 membership for the immediately preceding fiscal year with a minimum total grant of ~~\$3,000.00~~ \$6,000.00. Funding shall be provided in the following order: the per pupil allotment, and then the minimum total grant of ~~\$3,000.00~~ \$6,000.00 to individual districts. An intermediate district may act as the fiscal agent for a consortium of districts. In order to be eligible for funding under this subsection, the district or consortium of districts shall submit each year a current 3-year plan for operating a comprehensive program for gifted and talented pupils and the district or consortium shall demonstrate to the department that the district or consortium will contribute matching funds of at least \$50.00 per K-12 pupil. The plan or revised plan shall be developed in accordance with criteria established by the department and shall be submitted to the department for approval. Within the criteria, the department shall encourage the development of consortia among districts of less than 5,000 memberships.

Sec. 61a. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$31,027,600.00 each fiscal year ~~for 1998-99~~, for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR 2002-2003 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 ~~\$400,000.00~~ \$388,700.00 each fiscal year 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 ~~1998-99~~ A PARTICULAR FISCAL YEAR the total membership ~~in 1997-98~~ FOR THE IMMEDIATELY PRECEDING FISCAL YEAR of the intermediate district and the districts constituent to the intermediate district or the total membership ~~in 1997-98~~ FOR THE IMMEDIATELY PRECEDING FISCAL YEAR of the area vocational-technical program. ; means for 1999-2000 the total membership ~~in 1998-99~~ of the intermediate district and the districts constituent to the intermediate district or the total membership ~~in 1998-99~~ of the area vocational-technical program; and means for 2000-2001 the total membership ~~in 1999-2000~~ of the intermediate district and the districts constituent to the intermediate district or the total membership ~~in 1999-2000~~ 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, ~~beginning in 1998-99~~, the membership and taxable value of a district that has elected not to come under sections 681 to 690 of the revised school

code, MCL 380.681 TO 380.690, shall be included in the membership and taxable value of the intermediate district if the district meets both of the following:

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

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

(2) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$9,650,000.00 each fiscal year for 1998-99~~ and \$9,880,000.00 for 1999-2000, ~~and an amount not to exceed \$10,250,000.00~~ \$9,810,000.00 for 2000-2001, AN AMOUNT NOT TO EXCEED \$11,190,000.00 FOR 2001-2002, AND AN AMOUNT NOT TO EXCEED \$11,330,000.00 FOR 2002-2003 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 1997-98 shall be made in 1998-99 at an amount per 1997-98 membership pupil computed by subtracting from \$104,400.00 the 1997-98 taxable value behind each membership pupil, and multiplying the resulting difference by the 1997-98 millage levied.~~ Reimbursement for the millages levied in 1998-99 shall be made in 1999-2000 at an amount per 1998-99 membership pupil computed by subtracting from \$108,800.00 the 1998-99 taxable value behind each membership pupil, and multiplying the resulting difference by the 1998-99 millage levied. Reimbursement for the millages levied in 1999-2000 shall be made in 2000-2001 at an amount per 1999-2000 membership pupil computed by subtracting from ~~\$113,400.00~~ \$114,300.00 the 1999-2000 taxable value behind each membership pupil, and multiplying the resulting difference by the 1999-2000 millage levied. REIMBURSEMENT FOR THE MILLAGES LEVIED IN 2000-2001 SHALL BE MADE IN 2001-2002 AT AN AMOUNT PER 2000-2001 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING FROM \$121,500.00 THE 2000-2001 TAXABLE VALUE BEHIND EACH MEMBERSHIP PUPIL, AND MULTIPLYING THE RESULTING DIFFERENCE BY THE 2000-2001 MILLAGE LEVIED. REIMBURSEMENT FOR THE MILLAGES LEVIED IN 2001-2002 SHALL BE MADE IN 2002-2003 AT AN AMOUNT PER 2001-2002 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING FROM \$127,600.00 THE 2001-2002 TAXABLE VALUE BEHIND EACH MEMBERSHIP PUPIL, AND MULTIPLYING THE RESULTING DIFFERENCE BY THE 2001-2002 MILLAGE LEVIED.

(4) FROM THE ALLOCATION IN SUBSECTION (2), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$670,000.00 FOR 1999-2000, AN AMOUNT NOT TO EXCEED \$500,000.00 FOR 2000-2001, AN AMOUNT NOT TO EXCEED \$1,380,000.00 FOR 2001-2002, AND AN AMOUNT NOT TO EXCEED \$1,470,000.00 FOR 2002-2003 FOR PAYMENTS TO INTERMEDIATE DISTRICTS UNDER THIS SUBSECTION THAT DO NOT QUALIFY FOR A PAYMENT UNDER SUBSECTION (3) FOR REIMBURSEMENT FOR CHANGES AS A RESULT OF REVISIONS TO THE PERSONAL PROPERTY TAX DEPRECIATION TABLES. THE ALLOCATION FOR 1999-2000 INCLUDES PAYMENTS FOR PRIOR YEAR ADJUSTMENTS IN TAXABLE VALUE FOR CHANGES AS A RESULT OF REVISIONS TO THE PERSONAL PROPERTY TAX DEPRECIATION TABLES. TO RECEIVE A PAYMENT UNDER THIS SUBSECTION, AN INTERMEDIATE DISTRICT SHALL FILE A CLAIM BY JULY 1 OF THE FISCAL YEAR TO THE DEPARTMENT, DETAILING THE LOSS OF REVENUE TO THE INTERMEDIATE DISTRICT'S VOCATIONAL EDUCATION MILLAGE ATTRIBUTABLE TO THOSE REVISIONS. THE AMOUNT OF THE PAYMENT UNDER THIS SUBSECTION TO EACH INTERMEDIATE DISTRICT SHALL BE AN AMOUNT EQUAL TO THE SAME PROPORTION OF THE TOTAL AMOUNT OF FUNDING AVAILABLE UNDER THIS SUBSECTION AS THE INTERMEDIATE DISTRICT'S CLAIM UNDER THIS SECTION BEARS TO THE TOTAL AMOUNT OF CLAIMS UNDER THIS SUBSECTION AND, NOTWITHSTANDING SECTION 121, SHALL NOT BE ADJUSTED FOR PRIOR YEAR ADJUSTMENTS MORE THAN 2 YEARS AFTER THE END OF THE STATE FISCAL YEAR FOR WHICH PAYMENT UNDER THIS SUBSECTION WAS MADE.

Sec. 63. (1) From the GENERAL FUND appropriation in section 11, there is allocated an amount not to exceed \$1,800,000.00 each fiscal year for 1999-2000, ~~and 2000-2001, 2001-2002, AND 2002-2003~~ for implementation of the Michigan manufacturing technology program for the ~~1999-2000 and 2000-2001~~ CORRESPONDING school years as provided under this section.

(2) From the allocation in subsection (1), there is allocated \$1,800,000.00 each fiscal year to the department, in conjunction with the department of career development, to award competitive grants for the purpose of improving manufacturing technology programs offered by public education agencies. The maximum amount of a grant under this subsection shall not exceed \$50,000.00 each fiscal year for each public education agency determined to be eligible for funding.

(3) Applications for grants under subsection (2) shall be submitted in a form and manner determined by the department, in conjunction with the department of career development. Criteria for funding shall include all of the following:

(a) The public education agency operates a manufacturing technology program, is a participating agency in a regional career preparation plan described in section 68, and has the support of the local workforce development board for submission of the grant application.

(b) The public education agency offers employer-provided instruction for its pupils as part of its manufacturing technology curriculum.

(c) The public education agency agrees to evaluate the impact of the grant.

(d) Any other criteria determined by the department, in conjunction with the department of career development.

(4) Grants awarded under subsection (2) shall be used by eligible public education agencies for activities intended to increase the amount of employer-provided instruction provided to pupils and to increase pupil awareness of manufacturing technology programs.

(5) The department, in conjunction with the department of career development, shall consider the potential for graduates to be placed in high-wage, high-demand positions upon completion of the manufacturing technology program in its determination of grant awards.

(6) Grants under subsection (2) shall be awarded by the department no later than May 31 before the beginning of each fiscal year and paid out to the grant recipients in total no later than October 1 of the fiscal year for which the grant is awarded. Funds may be used by grant recipients to support allowable expenditures in the following school year.

Sec. 67. (1) From the general fund appropriation in section 11, there is allocated an amount not to exceed \$350,000.00 each fiscal year ~~for 1998-99~~, for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR 2002-2003 for Michigan career preparation system grants under this section.

(2) From the allocation in subsection (1), there is allocated \$150,000.00 each fiscal year ~~for 1998-99~~, for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR 2002-2003 to the ~~council for career preparation standards~~ DEPARTMENT to identify uniform career competency standards and assessments for career clusters, to establish a statewide information system on current and anticipated employment opportunities and the required level of skills and education required for employment, ~~and for any other council functions.~~

(3) From the allocation in subsection (1), there is allocated \$100,000.00 each fiscal year ~~for 1998-99~~, for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR 2002-2003 to the ~~council for career preparation standards~~ DEPARTMENT to provide information to parents, pupils, school personnel, employers, and others regarding opportunities to receive integrated academic and technical preparation in the public schools of this state.

~~(4) From the allocation in subsection (1) for 1998-99, there is allocated \$100,000.00 for 1998-99 to the department of career development to establish peer review criteria, procedures, and standards and to provide technical assistance to local peer review committees created under section 68(4) and to the council for career preparation standards.~~

(4) ~~(5)~~ From the allocation in subsection (1), ~~for 1999-2000 and 2000-2001~~, there is allocated \$100,000.00 each fiscal year for 1999-2000, ~~and~~ 2000-2001, 2001-2002, AND 2002-2003 to the department ~~of career development~~ to provide technical assistance to eligible education agencies, ~~local~~ AND workforce development boards, ~~and the council for career preparation standards.~~

(5) ~~(6)~~ As used in this section and in section 68:

(a) "Advanced career academy" means a ~~career preparation~~ CAREER-TECHNICAL EDUCATION program operated by a district, by an intermediate district, or by a public school academy, that applies for and receives advanced career academy designation from the department. To receive this designation, a ~~career preparation~~ CAREER-TECHNICAL EDUCATION program shall meet criteria established by the department, ~~in collaboration with the department of career development~~, which criteria shall include at least all of the following:

~~(i) Satisfactory completion of a peer review process.~~

(i) ~~(ii)~~ Operation of programs for those career clusters identified by the ~~council for career preparation standards~~ DEPARTMENT as being eligible for advanced career academy status.

(ii) ~~(iii)~~ Involvement of employers in the design and implementation of ~~career preparation~~ CAREER-TECHNICAL EDUCATION programs.

(iii) ~~(iv)~~ A fully integrated program of academic and technical education available to pupils.

(iv) ~~(v)~~ Demonstration of an established career preparation system resulting in industry-validated career ladders for graduates of the program, including, but not limited to, written articulation agreements with postsecondary institutions to allow pupils to receive advanced college placement and credit or federally registered apprenticeships, as applicable.

(b) "Career cluster" means a grouping of occupations from 1 or more industries that share common skill requirements.

(c) "Career preparation system" is a system of programs and strategies providing pupils with opportunities to prepare for success in careers of their choice.

(D) "DEPARTMENT" MEANS THE DEPARTMENT OF CAREER DEVELOPMENT.

(E) ~~(d)~~ "Eligible education agency" means a district, intermediate district, or advanced career academy that ~~provides career preparation programs either directly or under a contract with a postsecondary institution or an employer as part of~~ PARTICIPATES IN an approved regional career preparation plan.

(F) ~~(e)~~ "FTE" means full-time equivalent pupil as determined by the department.

(G) ~~(f)~~ "Workforce development board" means a local workforce development board established pursuant to the job training partnership act, Public Law 97-300, 96 Stat. 1322, OR, BEGINNING JULY 1, 2000, THE WORKFORCE INVESTMENT ACT OF 1998, PUBLIC LAW 105-220, 112 STAT. 936, and the school-to-work opportunities act of 1994, Public Law 103-239, 108 Stat. 568, or the equivalent.

(H) "STRATEGIC PLAN" MEANS A DEPARTMENT-APPROVED COMPREHENSIVE PLAN PREPARED BY A WORKFORCE DEVELOPMENT BOARD WITH INPUT FROM LOCAL REPRESENTATIVES, INCLUDING THE EDUCATION ADVISORY GROUP, THAT INCLUDES CAREER PREPARATION SYSTEM GOALS AND OBJECTIVES FOR THE REGION.

Sec. 68. (1) From the general fund appropriation in section 11, there is allocated an amount not to exceed \$23,850,000.00 each fiscal year ~~for 1998-99~~, for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR 2002-2003 to be used to implement the Michigan career preparation system in the ~~1998-99 and 1999-2000 and 2000-2001~~ CORRESPONDING school years as provided under this section. From this allocation, the department may reserve an amount not to exceed \$2,000,000.00 each fiscal year for ~~career preparation~~ CAREER-TECHNICAL EDUCATION programs that have achieved designation as an advanced career academy. In order to receive funds under this section, an eligible education agency shall be part of an approved regional career preparation plan under subsection (2) and shall agree to expend the funds required under this section in accordance with the regional career preparation plan. Funds awarded under this section that are not expended in accordance with this section may be recovered by the department.

(2) In order to receive funding under this section, an eligible education agency shall be a part of an approved 3-year regional career preparation plan THAT IS CONSISTENT WITH THE WORKFORCE DEVELOPMENT BOARD'S STRATEGIC PLAN AND IS as described in this subsection. All of the following apply to a regional career preparation plan:

(a) A 3-year regional career preparation plan shall be developed under subdivisions (b), (c), and (d) for all public education agencies ~~providing career preparation programs~~ PARTICIPATING as part of a regional career preparation system within the geographical boundaries of a ~~local~~ workforce development board, and revised annually. If an intermediate district is located within the geographical boundaries of more than 1 ~~local~~ workforce development board, the board of the intermediate district shall choose 1 ~~local~~ workforce development board with which to align and shall notify the department of this choice not later than October 31, 1997.

(b) The regional career preparation plan shall be developed by representatives of the education advisory group of each ~~local~~ workforce development board in accordance with guidelines developed under former section 67(5), and in accordance with subdivisions (d) and (e). All of the following shall be represented on each education advisory group: workforce development board members, other employers, labor, districts, intermediate districts, postsecondary institutions, career/technical educators, parents of public school pupils, and academic educators. The representatives of districts, intermediate districts, and postsecondary institutions appointed to the education advisory group by the ~~local~~ workforce development board shall be individuals designated by the board of the district, intermediate district, or postsecondary institution.

(c) By majority vote, the education advisory group may nominate 1 education representative, who may or may not be a member of the education advisory group, for appointment to the ~~local~~ workforce development board. This education representative shall be in addition to existing education representation on the ~~local~~ workforce development board. This education representative shall meet all ~~local~~ workforce development board membership requirements.

(d) The components of the regional career preparation plan shall include, but are not limited to, all of the following:

(i) The roles of districts, intermediate districts, advanced career academies, postsecondary institutions, employers, labor representatives, and others in the career preparation system.

(ii) Programs to be offered, including at least career exploration activities, for middle school pupils.

(iii) Identification of integrated academic and technical curriculum, including related professional development training for teachers.

(iv) Identification of work-based learning opportunities for pupils and for teachers and other school personnel.

(v) Identification of testing and assessments that will be used to measure pupil achievement.

(vi) Identification of all federal, state, local, and private sources of funding available for career preparation ~~programs~~ ACTIVITIES in the region.

(e) The education advisory group shall develop a 3-year regional career preparation plan CONSISTENT WITH THE WORKFORCE DEVELOPMENT BOARD'S STRATEGIC PLAN and submit the plan to the department for final approval. The submission to the department shall also include statements signed by the chair of the education advisory group and the chair of the ~~local~~ workforce development board certifying that the plan has been reviewed by each entity. Upon department approval, all eligible education agencies designated in the regional career preparation plan as part of the career preparation delivery system are eligible for funding under this section.

(3) Funding under this section shall be distributed to eligible education agencies ~~by the department~~ for allowable costs defined in this subsection and identified as necessary costs for implementing a regional career preparation plan, as follows:

(a) ~~The~~ FOR 1999-2000 AND 2000-2001, THE department shall rank all career clusters, including career exploration, guidance, and counseling. Rank determination will be based on median salary data in career clusters and employment opportunity data provided by the council for career preparation standards. In addition, rank determination shall be based on placement data available for prior year graduates of the programs in the career clusters either in

related careers or postsecondary education. The procedure for ranking of career clusters shall be determined by the department.

(b) Allowable costs to be funded under this section shall be determined by the department. Budgets submitted by eligible education agencies to the department in order to receive funding shall identify funds and in-kind contributions from the regional career education plan, excluding funds or in-kind contributions available as a result of funding received under section 61a, equal to at least 100% of anticipated funding under this section. Eligible categories of allowable costs are the following:

- (i) Career exploration, guidance, and counseling.
- (ii) Curriculum development, including integration of academic and technical content, and professional development for teachers directly related to career preparation.
- (iii) Technology and equipment determined to be necessary.
- (iv) Supplies and materials directly related to career preparation programs.
- (v) Work-based learning expenses for pupils, teachers, and counselors.
- (vi) Evaluation, including career competency testing and peer review.
- (vii) Career placement services.
- (viii) Student leadership organizations integral to the career preparation system.
- (ix) Up to 10% of the allocation to an eligible education agency may be expended for planning, coordination, direct oversight, and accountability for the career preparation system.

(c) ~~The FOR 1999-2000 AND 2000-2001, THE~~ department shall calculate career preparation costs per FTE for each career cluster, including career exploration, guidance, and counseling, by dividing the allowable costs for each career cluster by the prior year FTE enrollment for each career cluster. Distribution to eligible education agencies shall be the product of 50% of career preparation costs per FTE times the current year FTE enrollment of each career cluster. This allocation shall be distributed to eligible education agencies in decreasing order of the career cluster ranking described in subdivision (a) until the money allocated for grant recipients in this section is distributed. ~~However, beginning in 1999-2000, an individual career preparation program shall not be funded under this section, regardless of career cluster ranking, if it does not attain compliance with career competency standards set by the council for career preparation standards for the particular career cluster.~~ BEGINNING IN 2001-2002, FUNDS SHALL BE DISTRIBUTED TO ELIGIBLE EDUCATION AGENCIES ACCORDING TO WORKFORCE DEVELOPMENT BOARD GEOGRAPHIC AREA CONSISTENT WITH SUBSECTION (2)(A) BASED UPON THE PROPORTION OF EACH WORKFORCE DEVELOPMENT BOARD AREA'S K-12 PUBLIC SCHOOL MEMBERSHIP TO THE TOTAL STATE K-12 PUBLIC SCHOOL MEMBERSHIP.

(4) ~~The department, in collaboration with the department of career development,~~ shall establish a review procedure for assessing the career preparation system in each region. ~~Each local workforce development board shall establish regional peer review committees that include employers, educators, labor representatives, parents, and representatives of the local workforce development board nominated by the local workforce development board and the education advisory group. All of the following apply to peer review committees:~~

(5) ~~(a) Peer review committees are~~ AN EDUCATION ADVISORY GROUP IS responsible for assuring the quality of the career preparation system. ~~A peer review committee~~ AN EDUCATION ADVISORY GROUP shall review THE career preparation programs to ensure compliance with career competency standards as well as other program evaluation criteria SYSTEM IN ACCORDANCE WITH EVALUATION CRITERIA ESTABLISHED BY THE DEPARTMENT.

(6) ~~(b) A peer review committee~~ AN EDUCATION ADVISORY GROUP shall report its findings and recommendations for changes to the PARTICIPATING eligible education agency operating the career preparation program AGENCIES, the local workforce development board, the education advisory group responsible for revising the regional career preparation plan, and the department.

(7) ~~(c)~~ The next revision of a regional career preparation plan shall take into account the findings of a peer review committee THE EDUCATION ADVISORY GROUP IN ACCORDANCE WITH EVALUATION CRITERIA ESTABLISHED BY THE DEPARTMENT in order for the affected education agencies to receive continued funding under this section.

Sec. 74. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$1,625,000.00 each fiscal year ~~for 1998-99, for 1999-2000, and for 2000-2001, FOR 2001-2002, AND FOR 2002-2003~~ for the purposes of subsections (2) and (3).

(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 ~~section~~ 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.

Sec. 81. (1) Except as otherwise provided in this section, from the appropriation in section 11, there is allocated each fiscal year ~~for 1998-99, and~~ for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR 2002-2003 to the intermediate districts the sum necessary, but not to exceed ~~\$79,850,000.00 for 1998-99, not to exceed \$83,203,700.00~~ \$83,363,400.00 for 1999-2000, ~~and~~ not to exceed ~~\$85,616,600.00~~ \$87,781,700.00 for 2000-2001, NOT TO EXCEED \$92,170,800.00 FOR 2001-2002, AND NOT TO EXCEED \$95,028,100.00 FOR 2002-2003 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 1998-99 an amount equal to the amount of funding actually received by the intermediate district under this subsection in 1997-98.~~ Except as otherwise provided in this section, there shall be allocated to each intermediate district for 1999-2000 an amount equal to ~~104.2%~~ 104.4% of the amount of funding actually received by the intermediate district under this subsection for 1998-99. Except as otherwise provided in this section, there shall be allocated to each intermediate district for 2000-2001 an amount equal to ~~102.9%~~ 105.3% of the amount of funding actually received by the intermediate district under this subsection for 1999-2000. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THERE SHALL BE ALLOCATED TO EACH INTERMEDIATE DISTRICT FOR 2001-2002 AN AMOUNT EQUAL TO 105% OF THE AMOUNT OF FUNDING ACTUALLY RECEIVED BY THE INTERMEDIATE DISTRICT UNDER THIS SUBSECTION FOR 2000-2001. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THERE SHALL BE ALLOCATED TO EACH INTERMEDIATE DISTRICT FOR 2002-2003 AN AMOUNT EQUAL TO 103.1% OF THE AMOUNT OF FUNDING ACTUALLY RECEIVED BY THE INTERMEDIATE DISTRICT UNDER THIS SUBSECTION FOR 2001-2002. 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) 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.

(3) If an intermediate district participated in 1993-94 in a consortium operating a regional educational media center under section 671 of the revised school code, MCL 380.671, and rules promulgated by the superintendent, and if the intermediate district obtains written consent from each of the other intermediate districts that participated in the consortium in 1993-94, the intermediate district may notify the department not later than December 30 of the current fiscal year that it is electing to directly receive its payment attributable to participation in that consortium. An intermediate district making that election, and that has obtained the necessary consent, shall receive each fiscal year ~~for 1998-99,~~ for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR 2002-2003, as applicable, for each pupil in membership in the intermediate district or a constituent district an amount equal to the quotient of the 1993-94 allocation to the fiscal agent for that consortium under former section 83, adjusted as determined by the department to account for that election, divided by the combined total membership for the current fiscal year in all of the intermediate districts that participated in that consortium and their constituent districts. The amount allocated to an intermediate district under this subsection for a fiscal year shall be deducted from the total allocation for that fiscal year under this section to the intermediate district that was the 1993-94 fiscal agent for the consortium.

(4) 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. ~~Accordingly, from the appropriation in section 11, there is allocated for 1998-99 only an amount not to exceed \$62,000.00 for payments to intermediate districts for adjustments in taxable value described in this subsection.~~

(5) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$300,000.00 each fiscal year for 1998-99 and~~ \$360,000.00 FOR 1999-2000 ~~and~~ an amount not to exceed ~~\$500,000.00~~ \$320,000.00 for 2000-2001, AN AMOUNT NOT TO EXCEED \$890,000.00 FOR 2001-2002, AND AN AMOUNT NOT TO EXCEED \$940,000.00 FOR 2002-2003 for payments to intermediate districts under this subsection for reimbursement for changes as a result of revisions to the personal property tax depreciation tables. To receive a payment under this subsection, an intermediate district shall file a claim by July 1 of the fiscal year to the department, detailing the loss of revenue to the

intermediate district's operational millage attributable to those revisions. The amount of the payment under this subsection to each intermediate district shall be an amount equal to the same proportion of the total amount of funding available under this subsection as the intermediate district's claim under this subsection bears to the total amount of the claims under this subsection AND, NOTWITHSTANDING SECTION 121, SHALL NOT BE ADJUSTED FOR PRIOR YEAR ADJUSTMENTS MORE THAN 2 YEARS AFTER THE END OF THE STATE FISCAL YEAR FOR WHICH PAYMENT UNDER THIS SUBSECTION WAS MADE.

(6) 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. 91c. A pupil who transfers to a district other than the pupil's district of residence under an intermediate district schools of choice pilot program under former section 91 ~~a pupil described in section 6(4)(k) who transfers to a district other than the pupil's district of residence~~ is ineligible to participate in interscholastic athletic competition for a period of 1 semester from the date the pupil transfers.

Sec. 94. From the general fund money appropriated in section 11, there is allocated to the department ~~for 1998-99, for 1999-2000, and for 2000-2001~~ an amount not to exceed \$1,500,000.00 ~~each fiscal year~~ FOR 1999-2000, AN AMOUNT NOT TO EXCEED \$3,000,000.00 FOR 2000-2001, AN AMOUNT NOT TO EXCEED \$5,000,000.00 FOR 2001-2002, AND AN AMOUNT NOT TO EXCEED \$10,000,000.00 FOR 2002-2003 to provide technical assistance to districts for school accreditation purposes as described in section 1280 of the revised school code, MCL 380.1280.

SEC. 94A. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$10,000,000.00 FOR 1999-2000, AN AMOUNT NOT TO EXCEED \$2,160,000.00 FOR 2000-2001, AN AMOUNT NOT TO EXCEED \$2,332,000.00 FOR 2002, AND AN AMOUNT NOT TO EXCEED \$2,519,000.00 FOR 2002-2003 FOR PAYMENTS TO THE DATABASE FOR EDUCATIONAL PERFORMANCE AND INFORMATION CREATED PURSUANT TO EXECUTIVE ORDER.

(2) THE GOALS OF THE DATABASE FOR EDUCATIONAL PERFORMANCE AND INFORMATION SHALL BE TO IMPROVE THE QUALITY AND QUANTITY OF EDUCATIONAL DATA AVAILABLE TO TEACHERS, SCHOOL ADMINISTRATORS, PARENTS, TAXPAYERS, AND OTHERS.

(3) A PORTION OF THE FUNDS ALLOCATED UNDER THIS SECTION MAY BE USED FOR FUNDING TO DISTRICTS TO COVER ADDITIONAL COSTS RESULTING FROM IMPLEMENTATION OF THE DATABASE FOR EDUCATIONAL PERFORMANCE AND INFORMATION.

(4) 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.

SEC. 95. (1) FROM THE STATE SCHOOL AID FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$10,000,000.00 EACH FISCAL YEAR FOR 2000-2001, 2001-2002, AND FOR 2002-2003 FOR PAYMENTS TO DISTRICTS AND INTERMEDIATE DISTRICTS UNDER THIS SECTION.

(2) IF A DISTRICT OR INTERMEDIATE DISTRICT PROVIDES A TEACHER PROFESSIONAL DEVELOPMENT TRAINING PROGRAM REQUIRED UNDER SECTION 1527 OF THE REVISED SCHOOL CODE, MCL 380.1527, DURING TIME THAT IS NOT PART OF THE TIME SCHEDULED FOR PUPIL INSTRUCTION IN THE DISTRICT'S OR INTERMEDIATE DISTRICT'S SCHOOL CALENDAR AND IF THE DISTRICT DOES NOT ELECT TO USE THE HOURS OF PUPIL INSTRUCTION EXCEPTION UNDER SECTION 101(11), THERE IS ALLOCATED TO THE DISTRICT OR INTERMEDIATE DISTRICT AN AMOUNT SUFFICIENT TO REIMBURSE THE DISTRICT OR INTERMEDIATE DISTRICT FOR THE FULL PER DIEM COMPENSATION PAID TO THE PARTICIPANTS IN THAT PROGRAM.

SEC. 96. (1) FROM THE STATE SCHOOL AID FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$8,000,000.00 EACH FISCAL YEAR FOR 1999-2000, FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 FOR GOLDEN APPLE AWARDS UNDER THIS SECTION. THE AWARDS SHALL BE BASED ON ELEMENTARY SCHOOL ACHIEVEMENT ON THE FOURTH GRADE AND FIFTH GRADE MICHIGAN EDUCATION ASSESSMENT PROGRAM (MEAP) TESTS.

(2) TO BE ELIGIBLE FOR A GOLDEN APPLE AWARD, AN ELEMENTARY SCHOOL SHALL HAVE AT LEAST 50 PUPILS IN MEMBERSHIP AND SHALL MEET THE FOLLOWING REQUIREMENTS:

(A) FOR 1999-2000, AT LEAST 80% OF THE FOURTH AND FIFTH GRADE PUPILS ENROLLED AND IN REGULAR DAILY ATTENDANCE IN THE SCHOOL ON THE PUPIL MEMBERSHIP COUNT DAY IN THAT SCHOOL YEAR TOOK THE APPLICABLE MEAP TESTS, AND 1 OR BOTH OF THE FOLLOWING ARE MET:

(i) THE COMPOSITE SCORE FOR THE PUPILS IN THE SCHOOL WHO TOOK THE APPLICABLE MEAP TESTS INCREASED BY AT LEAST 60 POINTS OVER THE 2 CONSECUTIVE SCHOOL YEARS IMMEDIATELY PRECEDING THE STATE FISCAL YEAR IN WHICH THE AWARD IS GIVEN.

(ii) THE TEST SCORES FOR THE PUPILS IN THE SCHOOL WHO TOOK THE APPLICABLE MEAP TESTS ARE AMONG THE HIGHEST ELEMENTARY SCHOOL SCORES STATEWIDE, AS DETERMINED BY THE DEPARTMENT OF TREASURY, FOR THAT SCHOOL YEAR.

(B) BEGINNING IN 2000-2001, AT LEAST 90% OF THE FOURTH AND FIFTH GRADE PUPILS ENROLLED AND IN REGULAR DAILY ATTENDANCE IN THE SCHOOL ON THE PUPIL MEMBERSHIP COUNT DAY IN THAT SCHOOL YEAR TOOK THE APPLICABLE MEAP TESTS, AND 1 OR BOTH OF THE FOLLOWING ARE MET:

(i) THE COMPOSITE SCORE FOR THE PUPILS IN THE SCHOOL WHO TOOK THE APPLICABLE MEAP TESTS INCREASED BY AT LEAST 60 POINTS OVER THE 2 CONSECUTIVE SCHOOL YEARS IMMEDIATELY PRECEDING THE STATE FISCAL YEAR IN WHICH THE AWARD IS GIVEN.

(ii) THE TEST SCORES FOR THE PUPILS IN THE SCHOOL WHO TOOK THE APPLICABLE MEAP TESTS ARE AMONG THE HIGHEST ELEMENTARY SCHOOL SCORES STATEWIDE, AS DETERMINED BY THE DEPARTMENT OF TREASURY, FOR THAT SCHOOL YEAR.

(3) A GOLDEN APPLE AWARD UNDER THIS SECTION SHALL BE ALLOCATED TO AND USED BY A DISTRICT EXCLUSIVELY FOR THE PURPOSE OF DISTRIBUTING FUNDS TO EACH ELIGIBLE ELEMENTARY SCHOOL. A GOLDEN APPLE AWARD SHALL CONSIST OF \$1,000.00 PER EACH FULL-TIME EMPLOYEE WHO WORKS IN THE ELIGIBLE ELEMENTARY SCHOOL PLUS \$10,000.00 TO BE ALLOCATED TO THE PRINCIPAL OF THE SCHOOL FOR SCHOOL IMPROVEMENTS, BUT SHALL NOT BE LESS THAN \$50,000.00 PER RECIPIENT SCHOOL. ALL MONEY ALLOCATED UNDER THIS SECTION PER FULL-TIME EMPLOYEE SHALL BE USED FOR SCHOOL IMPROVEMENTS, AS DETERMINED COLLECTIVELY BY A MAJORITY VOTE OF THOSE EMPLOYEES.

(4) 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.

SEC. 97. (1) FROM THE STATE SCHOOL AID FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$110,000,000.00 FOR 1999-2000 ONLY FOR PAYMENTS TO DISTRICTS FOR THE TEACHER TECHNOLOGY INITIATIVE.

(2) FROM THE ALLOCATION UNDER SUBSECTION (1), THERE IS ALLOCATED TO EACH DISTRICT AN AMOUNT PER ELIGIBLE TEACHER NOT TO EXCEED \$1,200.00, OR THE ACTUAL COST, WHICHEVER IS LESS, TO PROVIDE 1 OR MORE OF THE FOLLOWING:

(A) A COMPUTER AND REMOTE INTERNET ACCESS FOR THE USE OF EACH ELIGIBLE TEACHER, OR A CERTIFICATE REDEEMABLE FOR A COMPUTER AND REMOTE INTERNET ACCESS. A DISTRICT SHALL ACQUIRE COMPUTERS AND REMOTE INTERNET ACCESS FOR ELIGIBLE TEACHERS IN A MANNER APPROVED BY THE DEPARTMENT OF MANAGEMENT AND BUDGET AND THE MICHIGAN VIRTUAL UNIVERSITY IN ORDER TO QUALIFY FOR FUNDING UNDER THIS SECTION.

(B) IF AGREED TO BY A MAJORITY VOTE OF THE SCHOOL BUILDING'S TEACHING STAFF WHO WOULD OTHERWISE RECEIVE A COMPUTER UNDER THIS SECTION, WITH THE CONCURRENCE OF THE SCHOOL BUILDING'S ADMINISTRATION, 1 OR MORE OF THE FOLLOWING:

(i) BUILDING-LEVEL OR CLASSROOM-LEVEL TECHNOLOGY IMPROVEMENTS.

(ii) TEACHER PROFESSIONAL DEVELOPMENT IN TECHNOLOGY.

(3) FUNDING TO A DISTRICT UNDER THIS SECTION SHALL BE ALLOCATED AS FOLLOWS:

(A) A MAXIMUM OF 10% SHALL BE PAID BASED ON THE NUMBER OF CLASSROOM TEACHERS EMPLOYED BY THE DISTRICT, AS CERTIFIED BY THE DISTRICT IN A MANNER PRESCRIBED BY THE DEPARTMENT OF MANAGEMENT AND BUDGET. TO BE ELIGIBLE TO RECEIVE ADDITIONAL PAYMENTS UNDER THIS SECTION AND TO AVOID A DEDUCTION OF THE PAYMENT UNDER THIS SUBDIVISION IN A SUBSEQUENT STATE SCHOOL AID PAYMENT, A DISTRICT MUST CERTIFY THAT NOT LESS THAN 10% OF ITS TEACHERS ARE ELIGIBLE TEACHERS UNDER SUBSECTION (4).

(B) THE REMAINDER OF THE ALLOCATION SHALL BE PAID TO A DISTRICT WITH THE NEXT AVAILABLE STATE SCHOOL AID PAYMENT CALCULATED AFTER THE DISTRICT CERTIFIES TO THE DEPARTMENT OF MANAGEMENT AND BUDGET THE ELIGIBILITY OF ITS TEACHERS UNDER SUBSECTION (4).

(4) AN ELIGIBLE TEACHER IS A TEACHER WHO IS EMPLOYED FULL-TIME IN AN ELEMENTARY OR SECONDARY SCHOOL OPERATED BY A DISTRICT, WHO IS PROVIDING CLASSROOM INSTRUCTION, AND WHO IS CERTIFIED BY THE DISTRICT AS MEETING ALL OF THE FOLLOWING:

(A) MEETS THE MINIMUM TECHNOLOGY COMPETENCIES IDENTIFIED BY THE MICHIGAN VIRTUAL UNIVERSITY.

(B) HAS COMPLETED AN ASSESSMENT PRESCRIBED BY THE MICHIGAN VIRTUAL UNIVERSITY OF HIS OR HER TECHNOLOGY LITERACY AND WILL TAKE A FOLLOW-UP ASSESSMENT WITHIN 1 YEAR AFTER RECEIVING A COMPUTER.

(C) DEVELOPS A DOCUMENT THAT BRIEFLY DESCRIBES HOW HE OR SHE PLANS TO USE THE COMPUTER TO ENHANCE HIS OR HER OWN PROFESSIONAL GROWTH AND TEACHING. THIS DOCUMENT IS TO BE RETAINED WITHIN THE TEACHER'S PROFESSIONAL FILE.

(D) AGREES IN WRITING TO COMPLY WITH THE TEACHER TECHNOLOGY INITIATIVE FAIR USE POLICY AND WITH A POLICY CONCERNING TEACHERS WHO CEASE TO BE ELIGIBLE TEACHERS, AS PRESCRIBED BY THE DEPARTMENT OF MANAGEMENT AND BUDGET AND THE MICHIGAN VIRTUAL UNIVERSITY.

(5) THE DEPARTMENT OF MANAGEMENT AND BUDGET SHALL DEVELOP A POLICY CONCERNING EQUITABLE REIMBURSEMENT BY AN ELIGIBLE TEACHER WHO CEASES TO BE ELIGIBLE AFTER RECEIPT OF A COMPUTER UNDER THIS SECTION.

(6) FUNDS ALLOCATED UNDER THIS SECTION THAT ARE NOT EXPENDED IN THE STATE FISCAL YEAR FOR WHICH THEY WERE ALLOCATED MAY BE CARRIED FORWARD TO THE NEXT 2 SUBSEQUENT STATE FISCAL YEARS.

SEC. 98. (1) FROM THE GENERAL FUND MONEY APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$15,000,000.00 FOR 2000-2001, AND AN AMOUNT NOT TO EXCEED \$1,500,000.00 EACH FISCAL YEAR FOR 2001-2002 AND FOR 2002-2003 TO THE DEPARTMENT TO PROVIDE A GRANT TO THE MICHIGAN VIRTUAL UNIVERSITY FOR THE DEVELOPMENT, IMPLEMENTATION, AND OPERATION OF THE MICHIGAN VIRTUAL HIGH SCHOOL.

(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.

(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.

(F) GRANT HIGH SCHOOL DIPLOMAS THROUGH A DUAL ENROLLMENT METHOD WITH DISTRICTS.

(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) 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.

(4) 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.

SEC. 98A. FROM THE GENERAL FUND APPROPRIATION UNDER SECTION 11, THERE IS ALLOCATED TO THE DEPARTMENT OF MANAGEMENT AND BUDGET FOR 2000-2001 ONLY AN AMOUNT NOT TO EXCEED \$1,200,000.00 FOR COLLABORATIVE EFFORTS AMONG THE OAKLAND INTERMEDIATE SCHOOL DISTRICT, THE WAYNE REGIONAL EDUCATION SERVICE AGENCY, AND EASTERN MICHIGAN UNIVERSITY TO PROVIDE CURRICULAR SUPPORT TO TEACHERS.

Sec. 99. (1) From the state school aid fund appropriation in section 11, there is allocated ~~an amount not to exceed \$7,293,100.00 for 1998-99, and~~ an amount not to exceed \$7,904,900.00 ~~each fiscal year~~ for 1999-2000, and AN AMOUNT NOT TO EXCEED \$9,270,000.00 FOR 2000-2001, AN AMOUNT NOT TO EXCEED \$10,684,300.00 FOR 2001-2002, AND AN AMOUNT NOT TO EXCEED \$10,984,500.00 FOR 2002-2003, and from the general fund appropriation in section 11 there is allocated an amount not to exceed \$400,000.00 ~~each fiscal year for 1998-99,~~ for 1999-2000, and AN AMOUNT NOT TO EXCEED \$475,100.00 for 2000-2001, AN AMOUNT NOT TO EXCEED \$548,000.00 FOR 2001-2002, AND AN AMOUNT NOT TO EXCEED \$596,000.00 FOR 2002-2003 for implementing the comprehensive master plan for mathematics and science centers developed by the department and approved by the state board on February 17, 1993.

(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 grant under this section to more than 1 mathematics and science center located in a particular intermediate district unless each of the grants serves a distinct target population or provides a service that does not duplicate another program in the intermediate district.

(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 25 established mathematics and science centers and, SUBJECT TO SUBSECTION (9), the 8 satellite extensions that were funded in 1996-97. Each established mathematics and science center that was funded in ~~1996-97~~ 1999-2000 shall receive an amount equal to 103% of the amount it received under this section in ~~1996-97~~ 1999-2000.

(6) In order to receive 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.

(7) From the state school aid fund allocation under subsection (1), there is allocated an amount not to exceed \$611,800.00 each fiscal year for 1999-2000, ~~and~~ 2000-2001, 2001-2002, AND 2002-2003 for additional funding under this subsection for mathematics and science centers that have come into compliance with the comprehensive master plan described in subsection (1). These amounts are in addition to the funding determined under subsection (5) and are as follows for each OF THOSE fiscal ~~year for 1999-2000 and 2000-2001~~ YEARS:

(a) \$68,000.00 each to the central Michigan science, mathematics, and technology center; the Hillsdale-Lenawee-Monroe mathematics and science center; the St. Clair mathematics, science, and technology network; the Saginaw valley state university regional center; the Genesee area mathematics, science, and technology center; the Grand Traverse area regional mathematics, science, and technology center; and the Livingston/Washtenaw mathematics and science center.

(b) \$85,000.00 to the Grand valley state university regional mathematics and science center.

(c) \$50,800.00 to the Seaborg center at Northern Michigan university.

(8) Not later than June 30, 2000, the department shall reevaluate and update the comprehensive master plan described in subsection (1), including any recommendations for upgrading satellite extensions to full centers.

(9) DURING THE COURSE OF THE 2000-2001 AND 2001-2002 FISCAL YEARS, THE DEPARTMENT SHALL FACILITATE THE CONVERSION OF THE 8 EXISTING SATELLITE EXTENSIONS TO FULL MATHEMATICS AND SCIENCE CENTERS. TO THIS END, IN 2000-2001 THE DEPARTMENT SHALL PROVIDE 4 SATELLITE EXTENSIONS, AS SELECTED BY THE DEPARTMENT, WITH APPLICATIONS FOR CONVERSION TO FULL CENTERS, AND IN 2001-2002 THE DEPARTMENT SHALL PROVIDE THE REMAINING 4 SATELLITE EXTENSIONS WITH APPLICATIONS FOR CONVERSION. THE DEPARTMENT SHALL PROVIDE THE APPLICATIONS NOT LATER THAN OCTOBER 15 OF THE APPLICABLE FISCAL YEAR; A SATELLITE EXTENSION SHALL SUBMIT THE APPLICATION AND A DETAIL PLAN AS PRESCRIBED BY THE DEPARTMENT NOT LATER THAN NOVEMBER 15 OF THE APPLICABLE FISCAL YEAR; AND THE DEPARTMENT SHALL REVIEW THE APPLICATIONS AND PLANS AND NOTIFY THE SATELLITE EXTENSIONS OF THEIR STATUS NOT LATER THAN DECEMBER 1 OF THE APPLICABLE FISCAL YEAR. THE ALLOCATIONS UNDER THIS SECTION ARE SUFFICIENT TO FUND THE CONVERSION OF THE SATELLITE EXTENSIONS TO FULL CENTERS AND TO FUND THEM AS FULL CENTERS.

(10) BEGINNING IN 2001-2002, THE TOTAL AMOUNT ALLOCATED UNDER THIS SECTION FOR A FISCAL YEAR SHALL BE INCREASED FROM THE TOTAL AMOUNT ALLOCATED UNDER THIS SECTION FOR THE IMMEDIATELY PRECEDING FISCAL YEAR BY THE SAME PERCENTAGE AS THE PERCENTAGE INCREASE IN THE AMOUNT OF THE BASIC FOUNDATION ALLOWANCE UNDER SECTION 20 FOR THAT FISCAL YEAR FROM THE AMOUNT OF THE BASIC FOUNDATION ALLOWANCE UNDER SECTION 20 FOR THE IMMEDIATELY PRECEDING FISCAL YEAR.

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 department the data filed by 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 department, 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 department, in a form and manner prescribed by the department, 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) ~~Each~~ EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, EACH district shall provide at least 180 days of pupil instruction and A NUMBER OF HOURS OF PUPIL INSTRUCTION AT LEAST EQUAL TO the required minimum number of hours of pupil instruction REQUIRED FOR 2000-2001 under section 1284 of the revised school code, MCL 380.1284. Except as otherwise provided in this act, a district failing to hold 180 days of pupil instruction shall forfeit from its total state aid allocation for each day of failure an amount equal to 1/180 of its total state aid allocation. 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. A district failing to meet both the 180 days of pupil instruction requirement and the minimum number of hours of pupil instruction requirement UNDER THIS SUBSECTION shall be penalized only the higher of the 2 amounts calculated under the forfeiture provisions of this subsection. Not later than August 1, the board of each district shall certify to the department the number of days and hours of pupil instruction in the previous school year. If the district did not hold at least 180 days and 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 (7). Days or hours lost because of strikes or teachers' conferences shall not be counted as days or hours of pupil instruction. 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. The superintendent shall promulgate rules for the implementation of this subsection.

(4) The first 2 days for which pupil instruction is not provided because of conditions not within the control of school authorities, such as severe storms, fires, epidemics, or health conditions as defined by the city, county, or state health authorities, shall be counted as days of pupil instruction. ~~In addition, for 1998-99 only, the department shall count as days of pupil instruction not more than 2 additional days, and shall count as hours of pupil instruction not more than 16.5 hours, for which pupil instruction was not provided in a district after June 7, 1999 due to water damage resulting from a water main break.~~ Subsequent such days shall not be counted as days of pupil instruction.

(5) A district shall not forfeit part of its state aid appropriation because it adopts or has in existence an alternative scheduling program for pupils in kindergarten if the program provides at least the number of hours required UNDER SUBSECTION (3) for a full-time equated membership for a pupil in kindergarten as provided under section 6(4).

(6) Upon application by the district for a particular fiscal year, the superintendent may waive the minimum number of days of pupil instruction requirement of subsection (3) for a district if the district has adopted an experimental school year schedule in 1 or more buildings in the district if the experimental school year schedule provides the required minimum number of hours of pupil instruction UNDER SUBSECTION (3) or more and is consistent with all state board policies on school improvement and restructuring. 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 of part of its state aid allocation for the specific building or program covered by the waiver.

(7) Not later than April 15 of each fiscal year, the board of each district shall certify to the department the planned number of days and 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 180 days and 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 180 days and the required minimum number of hours of pupil instruction UNDER SUBSECTION (3) in a school year, including days counted under subsection (4).

(b) The board of the district takes formal action not to operate its schools for at least 180 days and the required minimum number of hours of pupil instruction UNDER SUBSECTION (3) in a school year, including days counted under subsection (4).

(8) In providing the minimum number of hours of pupil instruction required under ~~section 1284 of the revised school code, MCL 380.1284~~ 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) 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.

(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 2-1/2 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.

(9) The department shall apply the guidelines under subsection (8) in calculating the full-time equivalency of pupils.

(10) Upon application by the district for a particular fiscal year, the superintendent may waive for a district the 180 days or 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.

(11) BEGINNING IN 2000-2001, A DISTRICT MAY COUNT UP TO 51 HOURS OF PROFESSIONAL DEVELOPMENT FOR TEACHERS AS HOURS OF PUPIL INSTRUCTION. A DISTRICT THAT ELECTS TO USE THIS EXCEPTION SHALL NOTIFY THE DEPARTMENT OF ITS ELECTION.

Sec. 102. (1) A district or intermediate district receiving money under this act shall not adopt or operate under a deficit budget, and a district or intermediate district shall not incur an operating deficit in a fund during a school fiscal year. A district or intermediate district having an existing deficit or which incurs a deficit shall not be allotted or paid a further sum under this act until the district or intermediate district submits to the department for approval a budget for the current school fiscal year and a plan to eliminate the district's or intermediate district's deficit not later than the end of the second school fiscal year after the deficit was incurred. Withheld state aid payments shall be released after the department approves the deficit reduction plan and ensures that the budget for the current school fiscal year is balanced.

(2) Not later than March 1 of each year, the department shall prepare a report of deficits incurred by districts and intermediate districts in the immediately preceding fiscal year and the progress made in reducing those deficits and submit the report to the standing committees of the legislature responsible for K-12 education legislation, the appropriations subcommittees of the legislature responsible for K-12 education appropriations, the house and senate fiscal agencies, the state treasurer, and the ~~department of management and budget~~ STATE BUDGET DIRECTOR. The department shall also submit interim reports concerning district and intermediate district deficits as necessary.

(3) The amount of the permissible deficit for each school fiscal year shall not exceed the amount of state aid reduced by an executive order during that school fiscal year.

(4) A district or intermediate district with an existing deficit or which incurs a deficit shall submit to the department a monthly monitoring report on revenue and expenditures in a form and manner prescribed by the department.

(5) If a district or intermediate district is not able to comply with the provisions of this section, the district or intermediate district shall submit to the department a plan to eliminate its deficit. Upon approval of the plan submitted,

the superintendent of public instruction may continue allotment and payment of funds under this act, extend the period of time in which a district or intermediate district has to eliminate its deficit, and set special conditions that the district or intermediate district must meet during the period of the extension.

(6) For the purposes of this section, a district or intermediate district is considered to have incurred an operating deficit if the district or intermediate district incurs any withholding of or financial penalty, other than a temporary delay, against any portion of its total state school aid allocation under this act.

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 ~~(12)~~ (13) 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 ~~(12)~~ (13), 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 district may refuse to enroll a nonresident applicant if the applicant is, or has been within the preceding 2 years, suspended from another school or if the applicant has ever been expelled from another school.

(10) A district shall ~~give preference for enrollment over all other nonresident applicants residing within the same intermediate district to pupils who were~~ 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 ~~and~~ 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.

(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 ~~the~~ A pupil DESCRIBED IN SUBSECTION (10).

(12) ~~(11)~~ 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.

(13) ~~(12)~~ 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.

(14) ~~(13)~~ 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.

(15) ~~(14)~~ 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.

(16) ~~(15)~~ 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.

(17) ~~(16)~~ If, in a particular state fiscal year, the total number of pupils enrolled and counted in membership in a district is less than 90% of the total number of pupils residing in the district who are enrolled and counted in membership in either that district or 1 or more other districts, the total amount of money allocated to that district under section 20 shall be adjusted so that the district receives a total allocation under section 20 equal to the amount the district would receive under section 20 if exactly 90% of the pupils residing in the district who are enrolled and counted in either that district or 1 or more other districts were enrolled and counted in membership in that district.

(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, 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. 105b. ~~Notwithstanding section 105(21), if~~ IF an intermediate district is operating under an intermediate district pilot schools of choice program established under former section 91 or as described in section 91a, the intermediate district and its constituent districts are exempt from section 105.

Sec. 105c. (1) In order to avoid a penalty under this section, and in order to count a nonresident pupil residing in a ~~contiguous~~ district located in ~~another~~ 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 ~~contiguous~~ district located in ~~another~~ 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 ~~contiguous~~ district located in ~~another~~ A CONTIGUOUS intermediate district.

(b) If the district has a limited number of positions available for nonresidents residing in a ~~contiguous~~ district located in ~~another~~ 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 ~~contiguous~~ district located in ~~another~~ 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 ~~contiguous~~ district located in ~~another~~ 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 ~~(12)~~ (13) 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 ~~(12)~~ (13), 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 ~~contiguous~~ district located in ~~another~~ 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 ~~contiguous~~ district located in ~~another~~ 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 ~~contiguous~~ district located in ~~another~~ 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 ~~contiguous~~ district located in ~~another~~ 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 ~~contiguous~~ district located in ~~another~~ A CONTIGUOUS intermediate district.

(b) During the last 2 weeks of the first semester, the district shall accept applications from nonresidents residing in a ~~contiguous~~ district located in ~~another~~ 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 ~~contiguous~~ district located in ~~another~~ 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 ~~contiguous~~ district located in ~~another~~ 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 ~~contiguous~~ district located in ~~another~~ 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 ~~contiguous~~ district located in ~~another~~ 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 ~~contiguous~~ district located in ~~another~~ 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 district may refuse to enroll a nonresident applicant under this section if the applicant is, or has been within the preceding 2 years, suspended from another school or if the applicant has ever been expelled from another school.

(10) A district shall ~~give preference for enrollment over all other nonresident applicants residing in a contiguous district located in another intermediate district to pupils who were~~ 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 ~~and~~ 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.

(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 ~~the~~ A pupil DESCRIBED IN SUBSECTION (10).

(12) ~~(11)~~ 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.

(13) ~~(12)~~ 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 ~~contiguous~~ district located in ~~another~~ 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.

(14) ~~(13)~~ 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.

(15) ~~(14)~~ 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.

(16) ~~(15)~~ 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.

(17) ~~(16)~~ 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.

(18) ~~(17)~~ In order for a district or intermediate district to enroll pursuant to this section a nonresident pupil who resides in a ~~contiguous~~ district located in ~~another~~ 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, 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.

(19) ~~(18)~~ 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.

(20) ~~(19)~~ 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.

(21) ~~(20)~~ 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.

(22) ~~(21)~~ As used in this section, "~~contiguous~~ "district located in ~~another~~ 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 ~~but that is located in a different intermediate district than the pupil's district of residence.~~ IS LOCATED.

Sec. 107. (1) From the appropriation in section 11, there is allocated ~~for 1998-99, for 1999-2000, and for 2000-2001, FOR 2001-2002, AND FOR 2002-2003~~ an amount not to exceed \$80,000,000.00 each fiscal year 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 education 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 education 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, is at least 20 years of age on September 1 of the school year.

(3) The amount allocated under subsection (1) shall be distributed as follows:

(a) For districts and consortia that received payments for 1995-96 under former section 107f and that received payments for 1996-97 under subsection (4) of this section as in effect in 1996-97, the amount allocated to each ~~for 1998-99~~, for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND 2002-2003 shall be an amount each fiscal year equal to 36.76% of the amount the district or consortium received for 1995-96 under former section 107f.

(b) For districts and consortia that received payments under subsection (3) of this section as in effect for 1996-97, the amount allocated to each ~~for 1998-99~~, for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR 2002-2003 shall be an amount each fiscal year equal to the product of the number of full-time equated participants actually enrolled and in attendance during the 1996-97 school fiscal year in the program funded under subsection (3) of this section as in effect for 1996-97 as reported to the department, audited, and adjusted according to subsection (10) of this section as in effect for 1996-97, multiplied by \$2,750.00.

(c) For districts and consortia that meet the conditions of both subdivisions (a) and (b), the amount allocated each fiscal year ~~for 1998-99~~, for 1999-2000, ~~and~~ for 2000-2001, FOR 2001-2002, AND FOR 2002-2003 shall be the sum of the allocations to the district or consortium under subdivisions (a) and (b).

(d) A district or consortium that received funding in 1996-97 under this section as in effect for 1996-97 may operate independently of a consortium or join or form a consortium ~~for 1998-99~~, for 1999-2000, ~~or~~ for 2000-2001, FOR 2001-2002, OR FOR 2002-2003. The allocation ~~for 1998-99~~, for 1999-2000, ~~or~~ for 2000-2001, FOR 2001-2002, OR FOR 2002-2003 to the district or the newly formed consortium under this subsection shall be determined by the department and shall be based on the proportion of the amounts specified in subdivision (a) or (b), or both, that are attributable to the district or consortium that received funding in 1996-97. A district or consortium described in this subdivision shall notify the department of its intention with regard to ~~1998-99~~, 1999-2000, ~~or~~ 2000-2001, 2001-2002, OR 2002-2003 by October 1 of the affected fiscal year.

(4) A district that operated an adult education program in 1996-97 and does not intend to operate a program in ~~1998-99~~, 1999-2000, ~~or~~ 2000-2001, 2001-2002, OR 2002-2003 shall notify the department by October 1 of the affected fiscal year of its intention. The funds intended to be allocated under this section to a district that does not operate a program in ~~1998-99~~, 1999-2000, ~~or~~ 2000-2001, 2001-2002, OR 2002-2003 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 ~~1998-99~~, 1999-2000, ~~or~~ 2000-2001, 2001-2002, OR 2002-2003 under this section.

(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.

(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.

(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) 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 shall provide information to a funding recipient regarding appropriate assessment instruments for this program.

(7) A general education 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 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) 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.

(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) 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.

(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 ~~or, for 1997-98 only, vocational 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) 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 shall provide information to a funding recipient regarding appropriate assessment instruments for this program.

(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.

(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).

(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) 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.

(13) An individual who is an inmate in a state correctional facility shall not be counted as a participant under this section.

(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.

(15) THE DEPARTMENT SHALL WORK WITH THE DEPARTMENT OF EDUCATION TO ENSURE THAT THIS SECTION IS ADMINISTERED IN THE SAME MANNER AS IN 1998-99.

(16) AS USED IN THIS SECTION AND SECTION 108, "DEPARTMENT" MEANS THE DEPARTMENT OF CAREER DEVELOPMENT.

SEC. 108. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2000-2001, 2001-2002, AND 2002-2003 AN AMOUNT NOT TO EXCEED \$20,000,000.00 EACH FISCAL YEAR FOR PARTNERSHIP FOR ADULT LEARNING PROGRAMS AUTHORIZED UNDER THIS SECTION.

(2) TO BE ELIGIBLE TO BE ENROLLED AS A PARTICIPANT IN AN ADULT LEARNING PROGRAM FUNDED UNDER THIS SECTION, A PERSON SHALL BE AT LEAST 16 YEARS OF AGE AS OF SEPTEMBER 1 OF THE IMMEDIATELY PRECEDING STATE FISCAL YEAR AND SHALL MEET THE FOLLOWING, AS APPLICABLE:

(A) IF THE INDIVIDUAL HAS OBTAINED A HIGH SCHOOL DIPLOMA OR A GENERAL EDUCATION DEVELOPMENT (G.E.D.) CERTIFICATE, THE INDIVIDUAL IS DETERMINED TO HAVE ENGLISH LANGUAGE PROFICIENCY, READING, WRITING, OR MATH SKILLS BELOW WORKFORCE READINESS STANDARDS AS DETERMINED BY DEPARTMENT-APPROVED TESTS AND IS NOT ENROLLED IN A POSTSECONDARY INSTITUTION. AN INDIVIDUAL WHO HAS OBTAINED A HIGH SCHOOL DIPLOMA IS NOT ELIGIBLE FOR ENROLLMENT IN A G.E.D. TEST PREPARATION PROGRAM FUNDED UNDER THIS SECTION.

(B) IF THE INDIVIDUAL HAS NOT OBTAINED A HIGH SCHOOL DIPLOMA OR A G.E.D. CERTIFICATE, THE INDIVIDUAL HAS NOT ATTENDED A SECONDARY INSTITUTION FOR AT LEAST 6 MONTHS BEFORE ENROLLMENT IN AN ADULT LEARNING PROGRAM FUNDED UNDER THIS SECTION AND IS NOT ENROLLED IN A POSTSECONDARY INSTITUTION.

(3) FROM THE ALLOCATION UNDER SUBSECTION (1), AN AMOUNT NOT TO EXCEED \$19,800,000.00 IS ALLOCATED EACH FISCAL YEAR FOR 2000-2001, FOR 2001-2002, AND FOR 2002-2003 TO LOCAL WORKFORCE DEVELOPMENT BOARDS FOR THE PURPOSE OF PROVIDING REGIONAL ADULT LEARNING PROGRAMS. AN APPLICATION FOR A GRANT UNDER THIS SUBSECTION SHALL BE IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT. SUBJECT TO SUBSECTIONS (4), (5), AND (6), THE AMOUNT ALLOCATED TO EACH LOCAL WORKFORCE DEVELOPMENT BOARD SHALL BE AS PROVIDED IN THIS SUBSECTION, EXCEPT THAT AN ELIGIBLE LOCAL WORKFORCE DEVELOPMENT BOARD SHALL NOT RECEIVE AN INITIAL ALLOCATION UNDER THIS SECTION THAT IS LESS THAN \$70,000.00. THE MAXIMUM AMOUNT OF A GRANT AWARDED TO AN ELIGIBLE LOCAL WORKFORCE DEVELOPMENT BOARD SHALL BE THE SUM OF THE FOLLOWING COMPONENTS:

(A) THIRTY-FOUR PERCENT OF THE ALLOCATION UNDER THIS SUBSECTION MULTIPLIED BY THE PROPORTION OF THE FAMILY INDEPENDENCE AGENCY CASELOAD IN THE LOCAL WORKFORCE DEVELOPMENT BOARD REGION TO THE STATEWIDE FAMILY INDEPENDENCE AGENCY CASELOAD.

(B) THIRTY-THREE PERCENT OF THE ALLOCATION UNDER THIS SUBSECTION MULTIPLIED BY THE PROPORTION OF THE NUMBER OF PERSONS IN THE LOCAL WORKFORCE DEVELOPMENT BOARD REGION OVER AGE 17 WHO HAVE NOT RECEIVED A HIGH SCHOOL DIPLOMA COMPARED TO THE STATEWIDE TOTAL OF PERSONS OVER AGE 17 WHO HAVE NOT RECEIVED A HIGH SCHOOL DIPLOMA.

(C) THIRTY-THREE PERCENT OF THE ALLOCATION UNDER THIS SUBSECTION MULTIPLIED BY THE PROPORTION OF THE NUMBER OF PERSONS IN THE LOCAL WORKFORCE DEVELOPMENT BOARD REGION OVER AGE 17 FOR WHOM ENGLISH IS NOT A PRIMARY LANGUAGE COMPARED TO THE STATEWIDE TOTAL OF PERSONS OVER AGE 17 FOR WHOM ENGLISH IS NOT A PRIMARY LANGUAGE.

(4) THE AMOUNT OF A GRANT TO A LOCAL WORKFORCE DEVELOPMENT BOARD UNDER SUBSECTION (3) SHALL NOT EXCEED THE COST FOR ADULT LEARNING PROGRAMS NEEDED IN THE LOCAL WORKFORCE DEVELOPMENT BOARD REGION, AS DOCUMENTED IN A MANNER APPROVED BY THE DEPARTMENT.

(5) NOT MORE THAN 9% OF A GRANT AWARDED TO A LOCAL WORKFORCE DEVELOPMENT BOARD MAY BE USED FOR PROGRAM ADMINISTRATION, INCLUDING CONTRACTING FOR THE PROVISION OF CAREER AND EDUCATIONAL INFORMATION, COUNSELING SERVICES, AND ASSESSMENT SERVICES.

(6) IN ORDER TO RECEIVE FUNDS UNDER THIS SECTION, A LOCAL WORKFORCE DEVELOPMENT BOARD SHALL COMPLY WITH THE FOLLOWING REQUIREMENTS IN A MANNER APPROVED BY THE DEPARTMENT:

(A) THE LOCAL WORKFORCE DEVELOPMENT BOARD SHALL DOCUMENT THE NEED FOR ADULT LEARNING PROGRAMS IN THE LOCAL WORKFORCE DEVELOPMENT REGION.

(B) THE LOCAL WORKFORCE DEVELOPMENT BOARD SHALL REPORT PARTICIPANT OUTCOMES AND OTHER MEASUREMENTS OF PROGRAM PERFORMANCE.

(C) THE LOCAL WORKFORCE DEVELOPMENT BOARD SHALL DEVELOP A STRATEGIC PLAN THAT INCORPORATES ADULT LEARNING PROGRAMS IN THE REGION. BEGINNING IN 2001-2002, A LOCAL WORKFORCE DEVELOPMENT BOARD IS NOT ELIGIBLE FOR STATE FUNDS UNDER THIS SECTION WITHOUT A DEPARTMENT-APPROVED STRATEGIC PLAN.

(D) THE LOCAL WORKFORCE DEVELOPMENT BOARD SHALL FURNISH TO THE DEPARTMENT, IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT, THE INFORMATION THE DEPARTMENT DETERMINES IS NECESSARY TO ADMINISTER THIS SECTION.

(E) THE LOCAL WORKFORCE DEVELOPMENT BOARD SHALL ALLOW ACCESS FOR THE DEPARTMENT OR THE DEPARTMENT'S DESIGNEE TO AUDIT ALL RECORDS RELATED TO ADULT LEARNING PROGRAMS FOR WHICH IT RECEIVES FUNDS. THE LOCAL WORKFORCE DEVELOPMENT BOARD SHALL REIMBURSE THIS STATE FOR ALL DISALLOWANCES FOUND IN THE AUDIT IN A MANNER DETERMINED BY THE DEPARTMENT.

(7) LOCAL WORKFORCE DEVELOPMENT BOARDS SHALL DISTRIBUTE FUNDS TO ELIGIBLE ADULT LEARNING PROVIDERS AS FOLLOWS:

(A) NOT LESS THAN 85% OF A GRANT AWARD SHALL BE USED TO SUPPORT PROGRAMS THAT IMPROVE READING, WRITING, AND MATH SKILLS TO WORKFORCE READINESS STANDARDS; ENGLISH AS A SECOND LANGUAGE PROGRAMS; G.E.D. PREPARATION PROGRAMS; HIGH SCHOOL COMPLETION PROGRAMS; OR WORKFORCE READINESS PROGRAMS IN THE LOCAL WORKFORCE DEVELOPMENT BOARD REGION. THESE PROGRAMS MAY INCLUDE THE PROVISION OF CAREER AND EDUCATIONAL INFORMATION, COUNSELING SERVICES, AND ASSESSMENT SERVICES.

(B) UP TO 15% OF A GRANT AWARD MAY BE USED TO SUPPORT WORKFORCE READINESS PROGRAMS FOR EMPLOYERS IN THE LOCAL WORKFORCE DEVELOPMENT BOARD REGION AS APPROVED BY THE DEPARTMENT. EMPLOYERS OR CONSORTIA OF EMPLOYERS WHOSE EMPLOYEES PARTICIPATE IN THESE PROGRAMS MUST PROVIDE MATCHING FUNDS IN A RATIO OF AT LEAST \$1.00 OF PRIVATE FUNDS FOR EACH \$1.00 OF STATE FUNDS.

(8) LOCAL WORKFORCE DEVELOPMENT BOARDS SHALL AWARD COMPETITIVE GRANTS TO ELIGIBLE ADULT LEARNING PROVIDERS FOR THE PURPOSE OF PROVIDING ADULT LEARNING PROGRAMS IN THE LOCAL WORKFORCE DEVELOPMENT BOARD REGION. APPLICATIONS SHALL BE IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT. IN AWARDING GRANTS, LOCAL WORKFORCE DEVELOPMENT BOARDS SHALL CONSIDER ALL OF THE FOLLOWING:

(A) THE ABILITY OF THE PROVIDER TO ASSESS INDIVIDUALS BEFORE ENROLLMENT USING DEPARTMENT-APPROVED ASSESSMENT TOOLS AND TO DEVELOP INDIVIDUAL ADULT LEARNER PLANS FROM THOSE ASSESSMENTS FOR EACH PARTICIPANT.

(B) THE ABILITY OF THE PROVIDER TO CONDUCT CONTINUING ASSESSMENTS IN A MANNER APPROVED BY THE DEPARTMENT TO DETERMINE PARTICIPANT PROGRESS TOWARD ACHIEVING THE GOALS ESTABLISHED IN INDIVIDUAL ADULT LEARNER PLANS.

(C) THE PAST EFFECTIVENESS OF AN ELIGIBLE PROVIDER IN IMPROVING ADULT LITERACY SKILLS AND, BEGINNING IN 2001-2002, THE SUCCESS OF AN ELIGIBLE PROVIDER IN MEETING OR EXCEEDING DEPARTMENT-APPROVED PERFORMANCE MEASURES.

(D) WHETHER THE PROGRAM IS OF SUFFICIENT INTENSITY AND DURATION FOR PARTICIPANTS TO ACHIEVE SUBSTANTIAL LEARNING GAINS.

(E) WHETHER THE PROGRAM USES RESEARCH-BASED INSTRUCTIONAL PRACTICES THAT HAVE PROVEN TO BE EFFECTIVE IN TEACHING ADULT LEARNERS.

(F) WHETHER THE PROGRAM USES ADVANCES IN TECHNOLOGY, AS APPROPRIATE, INCLUDING COMPUTERS.

(G) WHETHER THE PROGRAMS ARE STAFFED BY WELL-TRAINED TEACHERS, COUNSELORS, AND ADMINISTRATORS.

(H) WHETHER THE ACTIVITIES COORDINATE WITH OTHER AVAILABLE RESOURCES IN THE COMMUNITY, SUCH AS SCHOOLS, POSTSECONDARY INSTITUTIONS, JOB TRAINING PROGRAMS, AND SOCIAL SERVICE AGENCIES.

(I) WHETHER THE PROVIDER OFFERS FLEXIBLE SCHEDULES AND SUPPORT SERVICES, SUCH AS CHILD CARE AND TRANSPORTATION, THAT ENABLE PARTICIPANTS, INCLUDING INDIVIDUALS WITH DISABILITIES OR OTHER SPECIAL NEEDS, TO ATTEND AND COMPLETE PROGRAMS.

(J) WHETHER THE PROVIDER OFFERS ADEQUATE JOB AND POSTSECONDARY EDUCATION COUNSELING SERVICES.

(K) WHETHER THE PROVIDER CAN MAINTAIN AN INFORMATION MANAGEMENT SYSTEM THAT HAS THE CAPACITY TO REPORT PARTICIPANT OUTCOMES AND MONITOR PROGRAM PERFORMANCE AGAINST DEPARTMENT-APPROVED PERFORMANCE MEASURES.

(l) WHETHER THE PROVIDER WILL ALLOW ACCESS FOR THE LOCAL WORKFORCE DEVELOPMENT BOARD OR ITS DESIGNEE TO AUDIT ALL RECORDS RELATED TO ADULT LEARNING PROGRAMS FOR WHICH IT RECEIVES FUNDS. THE ADULT LEARNING PROVIDER SHALL REIMBURSE THE LOCAL WORKFORCE DEVELOPMENT BOARD FOR ALL DISALLOWANCES FOUND IN THE AUDIT.

(M) THE COST PER PARTICIPANT CONTACT HOUR OR UNIT OF MEASURABLE OUTCOME FOR EACH TYPE OF ADULT LEARNING PROGRAM FOR WHICH THE PROVIDER IS APPLYING.

(9) BEGINNING IN 2001-2002, CONTRACTS AWARDED BY LOCAL WORKFORCE DEVELOPMENT BOARDS TO ADULT LEARNING PROVIDERS SHALL COMPLY WITH THE PRIORITIES ESTABLISHED IN A DEPARTMENT-APPROVED STRATEGIC PLAN.

(10) ADULT LEARNING PROVIDERS THAT DO NOT AGREE WITH THE DECISIONS OF THE LOCAL WORKFORCE DEVELOPMENT BOARD IN ISSUING OR ADMINISTERING COMPETITIVE GRANTS MAY USE THE GRIEVANCE PROCEDURE ESTABLISHED BY THE DEPARTMENT.

(11) LOCAL WORKFORCE DEVELOPMENT BOARDS SHALL REIMBURSE ELIGIBLE ADULT LEARNING PROVIDERS UNDER THIS SECTION AS FOLLOWS:

(A) FOR A FIRST-TIME PROVIDER, AS FOLLOWS:

(i) FIFTY PERCENT OF THE CONTRACT AMOUNT SHALL BE ALLOCATED TO ELIGIBLE ADULT LEARNING PROVIDERS BASED UPON ENROLLMENT OF PARTICIPANTS IN ADULT LEARNING PROGRAMS. "ENROLLMENT" MEANS A PARTICIPANT ENROLLED IN THE PROGRAM WHO RECEIVED A PREENROLLMENT ASSESSMENT USING DEPARTMENT-APPROVED ASSESSMENT TOOLS AND FOR WHOM AN INDIVIDUAL ADULT LEARNER PLAN HAS BEEN DEVELOPED.

(ii) FIFTY PERCENT OF THE CONTRACT AMOUNT SHALL BE ALLOCATED TO ELIGIBLE ADULT LEARNING PROVIDERS BASED UPON THE FOLLOWING PERFORMANCE STANDARDS AS MEASURED IN A DEPARTMENT-APPROVED MANNER:

(A) THE PERCENTAGE OF PARTICIPANTS TAKING BOTH A PRETEST AND A POSTTEST IN ENGLISH LANGUAGE PROFICIENCY, READING, WRITING, AND MATH.

(B) THE PERCENTAGE OF PARTICIPANTS SHOWING IMPROVEMENT TOWARD GOALS IDENTIFIED IN THEIR INDIVIDUAL ADULT LEARNER PLAN.

(C) THE PERCENTAGE OF PARTICIPANTS ACHIEVING THEIR TERMINAL GOALS AS IDENTIFIED IN THEIR INDIVIDUAL ADULT LEARNER PLAN.

(B) BEGINNING IN 2001-2002, ELIGIBLE PROVIDERS THAT HAVE PROVIDED ADULT LEARNING PROGRAMS PREVIOUSLY UNDER THIS SECTION SHALL BE REIMBURSED 100% OF THE CONTRACT AMOUNT BASED UPON THE PERFORMANCE STANDARDS IN SUBDIVISION (A)(ii) AS MEASURED IN A MANNER DETERMINED BY THE DEPARTMENT.

(C) A PROVIDER IS ELIGIBLE FOR REIMBURSEMENT FOR A PARTICIPANT IN AN ADULT LEARNING PROGRAM UNTIL THE PARTICIPANT'S READING, WRITING, OR MATH PROFICIENCY, AS APPLICABLE, IS ASSESSED AT WORKFORCE READINESS LEVELS OR THE PARTICIPANT FAILS TO SHOW PROGRESS ON 2 SUCCESSIVE ASSESSMENTS AS DETERMINED BY THE DEPARTMENT.

(D) A PROVIDER IS ELIGIBLE FOR REIMBURSEMENT FOR A PARTICIPANT IN AN ENGLISH AS A SECOND LANGUAGE PROGRAM UNTIL THE PARTICIPANT IS ASSESSED AS HAVING ATTAINED BASIC ENGLISH PROFICIENCY OR THE PARTICIPANT FAILS TO SHOW PROGRESS ON 2 SUCCESSIVE ASSESSMENTS AS DETERMINED BY THE DEPARTMENT.

(E) A PROVIDER IS ELIGIBLE FOR REIMBURSEMENT FOR A PARTICIPANT IN A G.E.D. TEST PREPARATION PROGRAM UNTIL THE PARTICIPANT PASSES THE G.E.D. TEST OR THE PARTICIPANT FAILS TO SHOW PROGRESS ON 2 SUCCESSIVE ASSESSMENTS AS DETERMINED BY THE DEPARTMENT.

(F) A PROVIDER IS ELIGIBLE FOR REIMBURSEMENT FOR A PARTICIPANT IN A HIGH SCHOOL COMPLETION PROGRAM UNTIL THE PARTICIPANT EARNS A HIGH SCHOOL DIPLOMA OR THE PARTICIPANT FAILS TO SHOW PROGRESS AS DETERMINED BY THE DEPARTMENT.

(12) A PERSON WHO IS NOT ELIGIBLE TO BE A PARTICIPANT FUNDED UNDER THIS SECTION MAY RECEIVE ADULT LEARNING SERVICES UPON THE PAYMENT OF TUITION OR FEES FOR SERVICE. THE TUITION OR FEE LEVEL SHALL BE DETERMINED BY THE ADULT LEARNING PROVIDER AND APPROVED BY THE LOCAL WORKFORCE DEVELOPMENT BOARD.

(13) ADULT LEARNING PROVIDERS MAY COLLECT REFUNDABLE DEPOSITS FROM PARTICIPANTS FOR THE USE OF REUSABLE EQUIPMENT AND SUPPLIES AND MAY PROVIDE INCENTIVES FOR PROGRAM COMPLETION.

(14) A PROVIDER SHALL NOT BE REIMBURSED UNDER THIS SECTION FOR AN INDIVIDUAL WHO IS AN INMATE IN A STATE CORRECTIONAL FACILITY.

(15) IN ORDER TO ADMINISTER THE PARTNERSHIP FOR ADULT LEARNING SYSTEM UNDER THIS SECTION, THE DEPARTMENT SHALL DO ALL OF THE FOLLOWING:

(A) DEVELOP AND PROVIDE GUIDELINES TO LOCAL WORKFORCE DEVELOPMENT BOARDS FOR THE DEVELOPMENT OF STRATEGIC PLANS THAT INCORPORATE ADULT LEARNING.

(B) DEVELOP AND PROVIDE ADULT LEARNING MINIMUM PROGRAM PERFORMANCE STANDARDS TO BE IMPLEMENTED BY LOCAL WORKFORCE DEVELOPMENT BOARDS.

(C) IDENTIFY APPROVED ASSESSMENT TOOLS FOR ASSESSING A PARTICIPANT'S ENGLISH LANGUAGE PROFICIENCY, READING, MATH, AND WRITING SKILLS.

(D) APPROVE WORKFORCE READINESS STANDARDS FOR ENGLISH LANGUAGE PROFICIENCY, READING, MATH, AND WRITING SKILLS THAT CAN BE MEASURED BY DEPARTMENT-APPROVED, NATIONALLY RECOGNIZED ASSESSMENT TOOLS.

(16) OF THE AMOUNT ALLOCATED IN SUBSECTION (1), UP TO \$200,000.00 IS ALLOCATED TO THE DEPARTMENT FOR THE DEVELOPMENT AND ADMINISTRATION OF A STANDARDIZED DATA COLLECTION SYSTEM. BEGINNING IN 2001-2002, LOCAL WORKFORCE DEVELOPMENT BOARDS AND ADULT LEARNING PROVIDERS RECEIVING FUNDING UNDER THIS SECTION SHALL USE THE STANDARDIZED DATA COLLECTION SYSTEM FOR ENROLLING PARTICIPANTS IN ADULT LEARNING PROGRAMS, TRACKING PARTICIPANT PROGRESS, REPORTING PARTICIPANT OUTCOMES, AND REPORTING OTHER PERFORMANCE MEASURES.

(17) A PROVIDER IS NOT REQUIRED TO USE CERTIFICATED TEACHERS OR CERTIFICATED COUNSELORS TO PROVIDE INSTRUCTIONAL AND COUNSELING SERVICES IN A PROGRAM FUNDED UNDER THIS SECTION.

(18) AS USED IN THIS SECTION:

(A) "ADULT EDUCATION", FOR THE PURPOSES OF COMPLYING WITH SECTION 3 OF ARTICLE VIII OF THE STATE CONSTITUTION OF 1963, MEANS A HIGH SCHOOL PUPIL RECEIVING EDUCATIONAL SERVICES IN A NONTRADITIONAL SETTING FROM A DISTRICT OR INTERMEDIATE DISTRICT IN ORDER TO RECEIVE A HIGH SCHOOL DIPLOMA.

(B) "ADULT LEARNING PROGRAM" MEANS A DEPARTMENT-APPROVED PROGRAM THAT IMPROVES READING, WRITING, AND MATH SKILLS TO WORKFORCE READINESS STANDARDS; AN ENGLISH AS A SECOND LANGUAGE PROGRAM; A G.E.D. PREPARATION PROGRAM; A HIGH SCHOOL COMPLETION PROGRAM; OR A WORKFORCE READINESS PROGRAM THAT ENHANCES EMPLOYMENT OPPORTUNITIES.

(C) "DEPARTMENT" MEANS THE DEPARTMENT OF CAREER DEVELOPMENT.

(D) "ELIGIBLE ADULT LEARNING PROVIDER" MEANS A DISTRICT, PUBLIC SCHOOL ACADEMY, INTERMEDIATE DISTRICT, COMMUNITY COLLEGE, UNIVERSITY, COMMUNITY-BASED ORGANIZATION, OR OTHER ORGANIZATION APPROVED BY THE DEPARTMENT THAT PROVIDES ADULT LEARNING PROGRAMS UNDER A CONTRACT WITH A LOCAL WORKFORCE DEVELOPMENT BOARD.

(E) "PARTICIPANT" MEANS AN INDIVIDUAL ENROLLED IN AN ADULT LEARNING PROGRAM AND RECEIVING SERVICES FROM AN ELIGIBLE ADULT LEARNING PROVIDER.

(F) "STRATEGIC PLAN" MEANS A DEPARTMENT-APPROVED DOCUMENT THAT INCORPORATES ADULT LEARNING GOALS AND OBJECTIVES FOR THE LOCAL WORKFORCE DEVELOPMENT BOARD REGION AND IS DEVELOPED JOINTLY BY THE LOCAL WORKFORCE DEVELOPMENT BOARD AND THE EDUCATION ADVISORY GROUPS.

(G) "WORKFORCE DEVELOPMENT BOARD" MEANS A LOCAL WORKFORCE DEVELOPMENT BOARD ESTABLISHED PURSUANT TO THE WORKFORCE INVESTMENT ACT OF 1998, PUBLIC LAW 105-220, 112 STAT. 936, AND THE SCHOOL-TO-WORK OPPORTUNITIES ACT OF 1994, PUBLIC LAW 103-239, 108 STAT. 568, OR THE EQUIVALENT.

(H) "WORKFORCE READINESS STANDARD" MEANS A DEPARTMENT-APPROVED LEVEL OF ENGLISH LANGUAGE, READING, WRITING, OR MATHEMATICS PROFICIENCY, OR ANY AND ALL OF THESE, AS DETERMINED BY RESULTS FROM ASSESSMENTS APPROVED FOR USE BY THE DEPARTMENT.

Sec. 147. (1) The allocations for ~~1998-99~~, 1999-2000, ~~and~~ 2000-2001, 2001-2002, AND 2002-2003 for the public school employees' retirement system pursuant to the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1467, 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. ~~Effective October 1, 1998, the annual level percentage of payroll contribution rate for the 1998-99 state fiscal year is estimated at 11.12%,~~ the THE annual level percentage of payroll contribution rate for the 1999-2000 state fiscal year is estimated at 11.66% ; and the annual level percentage of payroll contribution rate for the 2000-2001 state fiscal year is estimated at ~~11.66%~~ 12.16%. The portion of the contribution rate assigned to districts and intermediate districts for ~~1998-99, 1999-2000, and 2000-2001~~ EACH FISCAL YEAR is all of the total percentage points. This contribution rate reflects an amortization period of ~~38 years for 1998-99~~, 37 years for 1999-2000 ; and 36 years for 2000-2001. 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. 151. (1) The treasurer of each county shall furnish to the department, on or before August 1 of each year following the receipt of assessment rolls, a statement of the taxable value of each district and fraction of a district within the county, using forms furnished by the department. On or before May 1 of each year, the treasurer of each county shall submit to the department revisions to the taxable value for the immediately preceding year of each district and fraction of a district within the county, using forms furnished by the department. On or before October 1 of each year, the treasurer of each county shall submit to the department revisions to the taxable value for the ~~2 immediately preceding~~ ~~preceding~~ years AFTER 1993 of each district and fraction of a district within the county, using forms furnished by the department. The reports required by this subsection shall also contain the amount of ad valorem taxable value captured for school operating taxes under a tax increment financing plan 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.

(2) Not later than the tenth day of each month, the tax tribunal created by the tax tribunal act, 1973 PA 186, MCL 205.701 to 205.779, shall report to the department the changes in taxable value for tax years after 1993 that are not reported to the department under subsection (1) and that are caused by tax tribunal decisions in the immediately preceding month for homestead and qualified agricultural property, as defined in section 1211 of the revised school code, MCL 380.1211, and for property that is not homestead or qualified agricultural property, in each district and intermediate district. The report shall also contain the amount of taxable value captured under a tax increment financing plan described in subsection (1) for school operating tax purposes.

Sec. 152. Except for reports due on other dates specified in this act, each district and intermediate district shall furnish to the department before the first Monday in November of each year those reports the department considers necessary for the determination of the allocation of funds under this act. In order to receive funds under this act, each

district and intermediate district shall also furnish to the department the information the department considers necessary for the administration of this act, INCLUDING INFORMATION NECESSARY TO DETERMINE COMPLIANCE WITH ARTICLE 16, and for the provision of reports of educational progress to the senate and house committees responsible for education, the senate and house appropriations subcommittees responsible for appropriations to school districts, the senate and house fiscal agencies, and the ~~department of management and budget~~ STATE BUDGET DIRECTOR, as appropriate.

Sec. 163. (1) Except as provided in the revised school code OR IN SECTION 108, the board of a district or intermediate district shall not permit any of the following:

(a) A noncertificated teacher to teach in an elementary or secondary school or in an adult basic education or high school completion program.

(b) A noncertificated counselor to provide counseling services to pupils in an elementary or secondary school or in an adult basic education or high school completion program.

(2) Except as provided in the revised school code OR IN SECTION 108, a district or intermediate district employing teachers or counselors not legally certificated shall have deducted the sum equal to the amount paid the teachers or counselors for the period of noncertificated or illegal employment. Each intermediate superintendent shall notify the department of the name of the noncertificated teacher or counselor, and the district employing that individual and the amount of salary the noncertificated teacher or counselor was paid within a constituent district.

(3) If a school official is notified by the department that he or she is employing a nonapproved noncertificated teacher or counselor in violation of this section and knowingly continues to employ that teacher or counselor, the school official is guilty of a misdemeanor, punishable by a fine of \$1,500.00 for each incidence.

Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 1999 PA 119, 1998 PA 553, and 1998 PA 339 from state sources for fiscal year 1999-2000 is estimated at \$10,125,829,300.00 and state appropriations to be paid to local units of government for fiscal year 1999-2000 are estimated at \$9,977,476,500.00; total state spending in this amendatory act and in 1999 PA 119 from state sources for fiscal year 2000-2001 is estimated at \$10,820,435,000.00 and state appropriations to be paid to local units of government for fiscal year 2000-2001 are estimated at \$10,553,210,000.00; total state spending in this amendatory act from state sources for fiscal year 2001-2002 is estimated at \$11,430,103,300.00 and state appropriations to be paid to local units of government for fiscal year 2001-2002 are estimated at \$11,175,186,400.00; and total state spending in this amendatory act from state sources for fiscal year 2002-2003 is estimated at \$11,791,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2002-2003 are estimated at \$11,536,849,500.00.

Enacting section 2. Sections 20b, 31c, 32, 36, 36a, and 91b of the state school aid act of 1979, 1979 PA 94, MCL 388.1620b, 388.1631c, 388.1632, 388.1636, 388.1636a, and 388.1691b, are repealed effective October 1, 2000.

Second: 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 prescribe penalties; and to repeal acts and parts of acts," by amending sections 3, 6, 8, 11, 11f, 11g, 17b, 19, 20, 20j, 21b, 24, 25, 26a, 31a, 31d, 33, 37, 38, 39, 40, 41, 51a, 53a, 54, 56, 57, 61a, 62, 63, 67, 68, 74, 81, 91c, 94, 99, 101, 102, 105, 105b, 105c, 107, 147, 151, 152, and 163 (MCL 388.1603, 388.1606, 388.1608, 388.1611, 388.1611f, 388.1611g, 388.1617b, 388.1619, 388.1620, 388.1620j, 388.1621b, 388.1624, 388.1625, 388.1626a, 388.1631a, 388.1631d, 388.1633, 388.1637, 388.1638, 388.1639, 388.1640, 388.1641, 388.1651a, 388.1653a, 388.1654, 388.1656, 388.1657, 388.1661a, 388.1662, 388.1663, 388.1667, 388.1668, 388.1674, 388.1681, 388.1691c, 388.1694, 388.1699, 388.1701, 388.1702, 388.1705, 388.1705b, 388.1705c, 388.1707, 388.1747, 388.1751, 388.1752, and 388.1763), sections 3, 25, and 151 as amended by 1997 PA 93, sections 6, 11, 11f, 11g, 17b, 20, 24, 26a, 31a, 41, 51a, 53a, 54, 56, 57, 61a, 62, 63, 67, 68, 74, 81, 94, 99, 101, 105, 107, and 147 as amended and sections 20j, 31d, 33, and 105c as added by 1999 PA 119, sections 8 and 39 as amended by 1997 PA 142, sections 19, 21b, 37, 38, 102, and 163 as amended by 1996 PA 300, section 40 as amended by 1991 PA 118, section 91c as added by 1995 PA 130, section 105b as added by 1997 PA 24, and section 152 as amended by 1993 PA 175, and by adding sections 11j, 11k, 11l, 18b, 18c, 20k, 22a, 22b, 22c, 25b, 32a, 32b, 32c, 32d, 32e, 32f, 32g, 32h, 35, 51c, 94a, 95, 96, 97, 98, 98a, and 108; and to repeal acts and parts of acts.

Leon Stille
Loren Bennett
Conferees for the Senate

Ron Jelinek
Tony Stamas
Conferees for the House

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

The motion prevailed.

The question being on the adoption of the conference report,

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

Roll Call No. 586

Yeas—29

Bennett	Gougeon	Miller	Sikkema
Bullard	Hammerstrom	North	Smith, V.
DeBeaussaert	Hoffman	Peters	Steil
DeGrow	Johnson	Rogers	Stille
Dunaskiss	Koivisto	Schuette	Van Regenmorter
Emmons	McCotter	Schwarz	Vaughn
Gast	McManus	Shugars	Young
Goschka			

Nays—8

Cherry	Emerson	Jaye	Murphy
Dingell	Hart	Leland	Smith, A.

Excused—1

Byrum

Not Voting—0

In The Chair: President

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

Protests

Senators Emerson and A. Smith, under their constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the first conference report on Senate Bill No. 1044.

Senator Emerson moved that the statement he made during the discussion of the conference report be printed as his reasons for voting “no.”

The motion prevailed.

Senator Emerson’s statement, in which Senator A. Smith concurred, is as follows:

I thought I ought get up and explain why I’m going to vote “no” on this bill and on this conference committee report. The thing that I think is most important for everybody to think about is the fact that at the end of the next fiscal year we will have over \$800 million that is going to be left in the School Aid Fund. That’s more money that has been left in the School Aid Fund since the passage of Proposal A.

The first year after the passage of Proposal A we had some additional money in the School Aid Fund that was there because we started collecting the sales tax in May, and the budget didn’t take effect until October. This is the most money that will be left on the table since then. That’s what gives everybody the opportunity to say that the

commitments we've made to education to this state by putting \$420 million in the School Aid Fund of General Fund money is no longer a commitment that we intend to keep if we continue to leave \$800 million in the School Aid Fund. We will in the future remove all the General Fund, even though there is this proclaimed commitment to put the money back in two or three years from now. None of us believe that's true. I don't believe it's true. I think that what we have to do is recognize that the second and third years of this budget really are fictional budgets. They're based on numbers that are extremely conservative. Everybody knows that we'll come back a year from now and pass a supplemental that will add additional dollars—some of that \$800 million that's left over—plus all the additional money that we're collecting right now because, unfortunately, we're paying \$2 a gallon for gasoline and collecting sales tax on every bit of that. That's going to make sure that the School Aid Fund is even larger than it is currently, and we'll have an even larger surplus in that amount.

We could use that money to reduce class size, pay for special education appropriately, or do any number of things that will improve the educational quality in this state. We choose not to do any of those things but choose to disguise the fact that we have the additional money that ought to be spent on schools, and use the disguise of that second and third year to take General Fund money to pay for General Fund programs that I think we ought to pay for next year. But we can't pay for them because we already passed tax cuts. In order to finance tax cuts now, we're abandoning the promises of Proposal A, and we're taking money out of the School Aid Fund. I think that's wrong, and that's why I'm voting "no."

Senator Byrum entered the Senate Chamber.

Senator Gast submitted the following:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning **Senate Bill No. 963, entitled**

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2001; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

Recommends:

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

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2001; 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, 2001, from the funds indicated in this part. The following is a summary of the appropriations in this part:

COMMUNITY COLLEGES

GROSS APPROPRIATION	\$	325,061,722
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	325,061,722
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total state restricted revenues		10,000,000
State general fund/general purpose	\$	315,061,722

Sec. 102. OPERATIONS

Alpena Community College	\$	5,231,386
Bay de Noc Community College.....		5,034,112
Delta College		14,608,257
Glen Oaks Community College.....		2,434,150

	For Fiscal Year Ending Sept. 30, 2001
Gogebic Community College	\$ 4,315,860
Grand Rapids Community College.....	18,448,891
Henry Ford Community College	22,296,069
Jackson Community College	12,434,747
Kalamazoo Valley Community College	12,554,684
Kellogg Community College.....	9,883,088
Kirtland Community College	3,023,951
Lake Michigan College	5,322,074
Lansing Community College.....	31,686,670
Macomb Community College.....	33,986,564
Mid Michigan Community College.....	4,501,743
Monroe County Community College.....	4,378,640
Montcalm Community College	3,189,079
C.S. Mott Community College	16,053,265
Muskegon Community College	9,143,771
North Central Michigan College	3,099,734
Northwestern Michigan College.....	9,307,774
Oakland Community College	21,473,255
St. Clair County Community College.....	7,176,573
Schoolcraft College.....	12,553,717
Southwestern Michigan College.....	6,705,122
Washtenaw Community College.....	12,642,980
Wayne County Community College	17,053,189
West Shore Community College	2,347,140
GROSS APPROPRIATION	\$ 310,886,488
Appropriated from:	
State general fund/general purpose	\$ 310,886,488
Sec. 103. GRANTS	
At-risk student success program	\$ 3,692,103
Renaissance zone tax reimbursement funding	483,131
GROSS APPROPRIATION	\$ 4,175,234
Appropriated from:	
State general fund/general purpose	\$ 4,175,234
Sec. 104. FINANCIAL AID	
Postsecondary access student scholarship program	\$ 10,000,000
GROSS APPROPRIATION	\$ 10,000,000
Appropriated from:	
Special revenue funds:	
Michigan tobacco settlement trust fund	10,000,000
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 2000-2001 is \$325,061,722.00 and state spending from state resources to be paid to local units of government for fiscal year 2000-2001 is \$325,061,722.00.

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. The department shall continue to pilot the use of 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 the Internet or legislative Intranet site. The senate and house of representatives appropriations subcommittees and senate and house fiscal agencies shall be notified in writing of the Internet or Intranet site of any such report. Quarterly, the department shall provide a cumulative listing of the reports submitted during the most recent 3-month period along with the Internet or Intranet site of each report, and a list of those reports expected to be transmitted in the following quarter.

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.

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. (1) The money appropriated in this act is appropriated for community colleges with fiscal years ending June 30, 2001 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, 2000. Each community college shall accrue its July and August 2001 payments to its institutional fiscal year ending June 30, 2001. However, if a community college fails to submit all verified Michigan community colleges activities classification structure data for school year 1999-2000 to the department of career development by November 1, 2000, the monthly installments shall be withheld from that community college until those data are submitted. The department of career development shall publish the activities classification structure data book for Michigan community colleges on or before March 1, 2001 for use by the legislature during budget development for the fiscal year ending September 30, 2002. The amount from the money appropriated in part 1 that is allocated under section 103 to address the special needs of at-risk students shall be paid in full by the state treasurer by November 1, 2000. 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, Public Law 88-210, 98 Stat. 2435, including local administration.

Sec. 212. (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, 2000 as submitted to the department of career development by 7 randomly selected community colleges. 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 Manual for Uniform Financial Reporting, Michigan Public Community Colleges, published by the Michigan state board of education in 1981, and the Activities Classification Structure Manual for Michigan Community Colleges, 1996 revision of the final report of the activities classification structure task force (July 1981), published by the department of education. 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 career development, and the state budget director before June 1, 2001.

(2) The auditor general or a certified public accountant appointed by the auditor general shall conduct not less than 3 performance audits of community colleges but may conduct more if the auditor general considers it 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 career development, the auditor general, and the department of management and budget 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.

(4) A community college 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 section. The department of career development 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. 213. The department of career development shall review the taxonomy of the 7 community colleges selected for the audit under section 212 that is based on the Activities Classification Structure Manual for Michigan Community Colleges, 1996 revision of the final report of the activities classification structure task force (July 1981), published by the department of education.

Sec. 214. (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. 215. 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 legislature, the senate and house fiscal agencies, the auditor general, the department of career development, and the state budget director before November 15, 2000. 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 Manual for Uniform Financial Reporting, Michigan Public Community Colleges, published by the Michigan state board of education in 1981.

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. If amendments to the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, that require pre-funding of the health benefits portion of the Michigan public school employees' retirement system are enacted and take effect, those amendments apply to community colleges.

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

Sec. 217. An appropriation contained in this act shall not be used for the construction of buildings for, or operations of, a community college not expressly authorized in part 1. Money appropriated in part 1 shall not be used to pay for the construction or maintenance of a self-liquidating project.

Sec. 218. The department of career development shall ensure that a statistical report for minorities and women employees for the most recent school year as submitted to the federal government on the EEO-6 form be included in the Michigan Community Colleges Enrollment Profile published by the department of career development. Also included in this profile shall be a statistical report for the most recent school year that includes enrollment statistics for minorities and women from the current year as submitted to the department of career development and from the prior year as submitted to the department of education. The department of career development shall distribute a copy of this report to the state budget director and to members of the house and senate appropriations subcommittees on community colleges and the house and senate fiscal agencies no later than March 1, 2001.

Sec. 219. (1) 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 February 15, 2001. The report shall include, but is not limited to, the following:

(a) Estimated revenue losses for each community college for the calendar year 2000.

(b) Confirmed revenue losses for each community college for the calendar years 1999, 1998, and 1997.

(c) Other requirements requested by the house and senate appropriations subcommittees on community colleges.

(2) From the general fund/general purpose appropriation in part 1 for renaissance zone and TIFA tax reimbursement funding, there is allocated \$50,000.00 to reimburse community colleges for data collection efforts in assisting the department of treasury to collect data from local units of government to determine property tax revenue losses as a result of tax increment financing for calendar year 2000. Reimbursements shall be made in equal amounts to each college.

Sec. 220. The auditor general shall audit the 1999, 1998, and 1997 calendar years tax revenue losses to community colleges resulting from TIFAs and tax abatements. The auditor general shall submit the results of this audit to the house and senate appropriations subcommittees on community colleges and the senate and house fiscal agencies by February 15, 2001.

Sec. 221. (1) Each community college shall report the following to the department of career development, no later than November 1, 2000:

(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 career development 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 career development 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, 2001.

Sec. 222. From the general fund/general purpose appropriation in part 1 for renaissance zone and TIFA tax reimbursement funding, there is allocated \$433,131.00 to make reimbursement to community colleges, as provided by section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for property taxes levied in 2000 and \$50,000.00 for purposes described in section 219(2). Reimbursements shall be made in amounts 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. Excess allocations lapse to the general fund.

Sec. 223. Upon request, a community college shall inform interested Michigan high schools of the aggregate academic status of its students for the fiscal year beginning October 1, 2000, in a manner prescribed by the Michigan community college association and in cooperation with the Michigan association of secondary school principals.

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

(2) Community colleges shall report by December 1, 2000 to the department of career development on steps they have taken to increase collaboration and cooperation with 4-year universities under subsection (1).

(3) The department of career development shall compile the information received under subsection (2) and shall submit this compilation to the house and senate appropriations subcommittees on community colleges and the senate and house fiscal agencies by January 7, 2001.

Sec. 225. The legislature intends that all citizens of this state have geographic and programmatic access to quality comprehensive community college services. The legislature and the Michigan community college association shall continue to review and analyze the recommendations made by the co-terminus task force to assure geographic and programmatic access to quality and comprehensive community college services. The legislature recognizes that as of January 1, 2000 there were also public universities that provide quality comprehensive community college services for citizens of this state who are not served by a community college district.

Sec. 226. Each community college shall report to the house and senate fiscal agencies and the department of career development a modification in credit or contact hour tuition or mandatory non-course-related student fees not later than 30 days after the modification is established by the college governing board.

Sec. 227. (1) Each community college shall report to the department of career development 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, 2000.

(2) The department of career development 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, 2001.

Sec. 228. The legislature intends to achieve full funding of the Gast-Mathieu fairness in funding formula.

Sec. 229. (1) 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.

(2) The department of career development shall compile and make information received under subsection (1) available in written and electronic format accessible through the Internet for school districts, parents, and students.

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. 233. Community colleges that include prescription drugs and medications as a covered health benefit for adults are encouraged to ensure that payment for preventative contraceptives are included in the insurance plan.

Sec. 234. The legislature intends that each community college do all of 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.

STATE AID - OPERATIONS

Sec. 301. Unless otherwise stated, all data items used in determining state aid in this act are as defined in the Manual for Uniform Financial Reporting, Michigan Public Community Colleges, published by the Michigan state board of education in 1981, which shall be the basis for reporting data, and the Activities Classification Structure Manual for Michigan Community Colleges, 1996 revision of the final report of the activities classification structure task force (July 1981), published by the department of education, which shall be used to document financial needs of the community colleges.

Sec. 302. A community college shall not include in the enrollment report 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. (1) Community colleges shall use a portion of the money appropriated in part 1 for operations to implement and institute the ideas and goals embodied by the partnerships for employment program or another program with similar nature and intent as the ideas and goals embodied in the partnership for employment program. For this program, community colleges shall form identifiable links with local businesses or local business alliances to ascertain the immediate and lasting employment needs of the community. In so doing, the colleges in conjunction with the businesses shall create specific, direct certificate programs that upon completion will lead to an increased likelihood of employment by the sponsoring businesses.

(2) When creating programs under subsection (1), the community colleges shall consider all of the following:

(a) The likelihood of the project directly providing a discrete population of unemployed or underemployed workers with job skills that will lead to increased likelihood of desired employment with the sponsoring businesses.

(b) The use of appropriations to efficiently coordinate existing, but largely unconnected, resources for worker training.

(c) The use of performance outcome measures to detail a correlation between partnering with local businesses to provide specific training, and the population attaining employment upon successful completion of such training.

(3) Each community college shall report to the department of career development by no later than September 30, 2001 on all of the following:

(a) The number of certificated programs created under this section.

(b) The job placement rate for graduates with sponsoring businesses under this section.

(c) The amount budgeted for the partnership for employment program.

(d) The amount expended and for what activities for the partnership for employment program.

(e) The number of employers who have agreed to hire participants who complete the partnership for employment program.

(4) The department of career development shall compile the information received under subsection (3) and shall submit this compilation to the senate and house appropriations subcommittees on community colleges, the state budget director, and the senate and house fiscal agencies by November 1, 2001.

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 education for use in the Activities Classification Structure Manual for Michigan Community Colleges, 1996 revision of the final report of the activities classification structure task force (July 1981), published by the department of education. 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, 2001, the at-risk student success program money is allocated as follows:

Alpena Community College.....	\$ 121,725
Bay de Noc Community College.....	105,324
Delta College.....	110,504
Glen Oaks Community College.....	131,210
Gogebic Community College.....	78,617
Grand Rapids Community College.....	76,714
Henry Ford Community College.....	168,324
Jackson Community College.....	114,933
Kalamazoo Valley Community College.....	118,490
Kellogg Community College.....	157,285
Kirtland Community College.....	145,724
Lake Michigan College.....	194,902
Lansing Community College.....	134,738
Macomb Community College.....	90,272
Mid Michigan Community College.....	123,549
Monroe Community College.....	102,673
Montcalm Community College.....	70,131
Mott Community College.....	105,617

Muskegon Community College	\$	212,002
North Central Michigan College		178,833
Northwestern Michigan College.....		120,835
Oakland Community College		164,112
St. Clair Community College		77,130
Schoolcraft College.....		148,852
Southwestern Michigan College.....		186,227
Washtenaw Community College.....		148,858
Wayne County Community College		158,329
West Shore Community College		146,193

(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 career development 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 204(1). The report shall be submitted not later than 90 days after the end of the state's fiscal year. The department of career development shall compile the information received under this subsection 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 120 days after the end of the state's fiscal year.

(8) Each community college receiving grant money under this section shall, not more than 12 months after receipt of that money, certify to the state treasurer, the state budget director, the house and senate fiscal agencies, and the auditor general whether all the grant money is expended or encumbered.

Sec. 402. 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, 2001, to increase appropriations to state-supported 4-year universities in excess of the governor's original recommendation for the fiscal year ending September 30, 2001, will be accompanied by a similar action or proposal for state-supported community colleges.

Sec. 403. 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. 404. (1) The Michigan postsecondary access student scholarship (PASS) program is established to provide a PASS award as calculated under this section for a student who is eligible under subsection (2), (3), or (4). The Michigan higher education assistance authority (MHEAA) shall administer the PASS program, for which there is \$10,000,000.00 appropriated in part 1, and the PASS program shall comply with the requirements of this section.

(2) A student is eligible for a PASS award for the equivalent of 2 years of full-time college enrollment if the student meets all of the following:

(a) The student must be a Michigan resident enrolled in a program leading to an associate degree that was in existence as of January 1, 2000 at a Michigan public community college, Michigan public university, or Michigan independent nonprofit, degree-granting college or university.

(b) The student must be enrolled at least half-time.

(c) The student must be younger than 22 years old at the time of enrollment.

(d) The student must have scored at level 1 or level 2 on the high school Michigan education assessment program (MEAP) tests in reading, writing, mathematics, and science.

(e) The student must be eligible for a federal Pell grant.

(f) Other requirements established by the MHEAA.

(3) A student who meets all the requirements of subsection (2), other than subsection (2)(d), but has taken the high school MEAP tests in reading, writing, mathematics, and science while in high school shall receive a PASS award for 1 year of college enrollment. If the student maintains satisfactory academic progress in that first year of college enrollment, the student shall receive a PASS award for a second year of college enrollment.

(4) A student who is 22 years old or older who meets all the requirements of subsection (2), other than subsection (2)(c) and (d), shall receive a maximum \$500.00 PASS award, not to exceed tuition and fees, for the second year of college enrollment. A student may qualify under this section whether or not the student took any of the high school MEAP tests.

(5) PASS award eligibility is limited to 2 semesters or 3 terms in any academic year.

(6) A PASS award for a student eligible under subsection (2), (3), or (4) shall be calculated by the MHEAA as the amount remaining after subtracting from the value of the student's allowable tuition and fees, as prescribed in subsection (8), all of the following state and federal financial educational assistance for which that student is eligible:

(a) Michigan competitive scholarship.

(b) Michigan tuition grant.

(c) Pell grant.

(d) Federal hope scholarship tax credit.

(7) The department of treasury shall prepare, and MHEAA shall utilize, a tax credit table that imputes an amount to be subtracted under subsection 6 for the federal hope scholarship tax credit.

(8) The value of a student's allowable tuition and fees is as follows:

(a) For student enrolled at a Michigan community college, the value of allowable tuition and fees is the in-district tuition and fees. For a student who does not reside within a community college district, the value of allowable tuition and fees is the out-of-district tuition and fees for the community college that the student is attending.

(b) For a student enrolled at a Michigan public university, the value of allowable tuition and fees is the lower-level resident tuition and fees for that public university.

(c) For a student enrolled at a Michigan independent, nonprofit, degree-granting college or university, the value of allowable tuition and fees is the average, lower-level resident tuition and fees for all Michigan public universities for the immediately preceding academic year as reported before August 1 after that academic year.

(9) The MHEAA shall remit an eligible student's PASS award to a higher education institution in accordance with procedures established by the MHEAA.

(10) The PASS award may be utilized by the student to pay costs of attendance as determined by the MHEAA.

(11) The PASS program shall not be applied for a student's theology or divinity courses.

(12) The MHEAA shall develop an application and eligibility determination process that ensures that all of the requirements prescribed by this section are met.

(13) Students who are expected to receive a tuition incentive program scholarship are not eligible for the PASS program.

(14) The MHEAA shall submit to the senate and house appropriations subcommittees on community colleges, the house and senate fiscal agencies, and the department of management and budget by May 1, 2001 a comprehensive report on the PASS program through December 31, 2000, including, but not limited to:

(a) Number of PASS program recipients by college.

(b) Average PASS award per student, including minimum and maximum, by college.

(c) Total PASS program expenditures.

(d) Other applicable PASS program information, including, but not limited to, the estimated PASS program and cost impact of removing age restrictions and of raising the income eligibility amount

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

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2001; 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.

Harry Gast
Mike Goschka
Alma Wheeler Smith
Conferees for the Senate

Tony Stamas
Patricia Godchaux
Steve Pestka
Conferees for the House

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

Senator Rogers moved that the rule be suspended.

The motion prevailed.

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

Roll Call No. 587**Yeas—37**

Bennett	Gast	McCotter	Shugars
Bullard	Goschka	McManus	Sikkema
Byrum	Gougeon	Miller	Smith, A.
Cherry	Hammerstrom	Murphy	Smith, V.
DeBeaussaert	Hart	North	Steil
DeGrow	Hoffman	Peters	Stille
Dingell	Johnson	Rogers	Van Regenmorter
Dunaskiss	Koivisto	Schuetz	Vaughn
Emerson	Leland	Schwarz	Young
Emmons			

Nays—1

Jaye

Excused—0**Not Voting—0**

In The Chair: President

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

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

The motion prevailed.

Senator A. Smith's statement is as follows:

I rise to support the community college recommendations of the conference committee. Senator Gast, it was a pleasure once again working with you on community college issues. I think we have a good budget going forward. I was particularly pleased to see tuition restraint language removed from the budget. I'm a bit concerned about the PASS program. It's a shadow of the original Senate bill that was introduced, the HELP program, that would have provided for community college scholarships through the tax credit process that piggybacked with the federal government's tax credit.

We have 130,000 students who are certificate or associate degree students who would have been eligible under Senate Bill No. 575. We have a mere shadow of that number eligible under the PASS program. There is language in this budget that will study the impact of the program. The community colleges and I are very concerned that very few students will be helped by PASS. I hope in the future there is a way that we can work between the PASS initiative and the HELP reimbursement process that gives us a program that really does cover a majority of students at community colleges.

House Bill No. 5276, entitled

A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2001; 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 House of Representatives has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The Conference Report was read as follows:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning **House Bill No. 5276, entitled**

A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2001; 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 and Senate agree to the Substitute of the Senate as passed by the Senate, amended to read as follows:

A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2001; 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 environmental quality for the fiscal year ending September 30, 2001, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF ENVIRONMENTAL QUALITY

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	1,631.7	
GROSS APPROPRIATION		\$ 409,510,800
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		17,511,700
ADJUSTED GROSS APPROPRIATION		\$ 391,999,100
Federal revenues:		
Total federal revenues		129,737,500
Special revenue funds:		
Total local revenues		1,103,900
Total private revenues		419,900
Total other state restricted revenues		160,831,600
State general fund/general purpose		\$ 99,906,200

FUND SOURCE SUMMARY:

GROSS APPROPRIATION		\$ 409,510,800
Interdepartmental grant revenues:		
IDG from MDOT, Michigan transportation fund.....		855,700
IDG-MSP		609,400
IDG-MDCH, local public health operations		10,267,200
IDT, interdivisional charges		5,779,400
Total interdepartmental grants and intradepartmental transfers		17,511,700
ADJUSTED GROSS APPROPRIATION		\$ 391,999,100
Federal revenues:		
DOC, federal.....		1,500,000
DOC-NOAA, federal.....		1,547,700
DOD, federal		850,600
DOI, federal.....		51,300
DOI-USGS, federal.....		101,300

	For Fiscal Year Ending Sept. 30, 2001
DOI-OSMRE, federal.....	\$ 303,700
EPA, federal.....	25,137,500
EPA-GWDW.....	3,715,600
EPA, radon.....	309,100
EPA, superfund.....	8,428,800
EPA-UST.....	267,600
EPA-LUST trust.....	2,067,400
FEMA, federal.....	456,900
Federal revenues.....	85,000,000
Total federal revenues.....	129,737,500
Special revenue funds:	
Local funds.....	1,103,900
Total local revenues.....	1,103,900
Private funds.....	333,700
Private - oil company overcharge settlement.....	86,200
Total private revenues.....	419,900
Aboveground storage tank fees.....	705,800
Clean Michigan initiative - administration.....	2,372,500
Clean Michigan initiative - clean water fund.....	2,500,000
Community pollution prevention fund.....	250,000
Hazardous waste facility closure revenue.....	1,000,000
Solid waste facility closure revenue.....	1,000,000
Air emissions fees.....	11,611,100
CESARS service fee.....	25,500
Cleanup and redevelopment fund.....	8,200,000
Drinking water revolving fund.....	6,023,600
Environmental response fund.....	8,483,000
Environmental education fund.....	178,900
Environmental pollution prevention fund.....	1,269,800
Environmental protection fund.....	6,000,000
Environmental training revenue.....	284,900
Fees and collections.....	750,200
Great Lakes protection fund.....	2,000,000
Hazardous materials transportation permit fund.....	82,400
Land and water permit fees.....	2,966,100
Landfill maintenance trust fund.....	46,500
Medical waste fees.....	411,800
Metallic mining surveillance fee revenue.....	65,900
Mineral well regulatory fee revenue.....	408,500
Michigan underground storage tank financial assurance fund.....	62,321,600
Oil and gas regulatory fund.....	9,410,100
Orphan well fund.....	1,314,200
Publication revenue.....	100,000
Public utility assessments.....	773,300
Public water supply fees.....	4,110,500
Revitalization revolving loan fund.....	1,000,000
Settlement funds.....	3,383,200
Saginaw Bay and River restoration revenue.....	150,000
Sand extraction fee revenue.....	184,100
Scrap tire regulatory fund.....	1,759,200
Septage waste license fees.....	200,000
Sewage sludge land application fee.....	722,600
Solid waste program fees.....	1,245,200
Stormwater permit fees.....	1,317,000
Underground storage tank fees.....	6,378,500
Water analysis fees.....	2,353,500

	For Fiscal Year Ending Sept. 30, 2001
Waste reduction fee revenue	\$ 4,131,400
Water pollution control revolving fund	3,120,500
Wastewater operator training fees	162,100
Water use reporting fees	58,100
Total other state restricted revenues	160,831,600
State general fund/general purpose	\$ 99,906,200
Sec. 102. EXECUTIVE	
Full-time equated unclassified positions	6.0
Full-time equated classified positions	13.0
Unclassified salaries—6.0 FTE positions	\$ 485,400
Executive direction—7.0 FTE positions	1,069,500
Office of the Great Lakes—6.0 FTE positions	790,500
GROSS APPROPRIATION	\$ 2,345,400
Appropriated from:	
Federal revenues:	
EPA, federal	223,200
DOI, federal	51,300
Special revenue funds:	
Environmental response fund	41,700
Environmental education fund	178,900
Oil and gas regulatory fund	86,700
Settlement funds	208,400
State general fund/general purpose	\$ 1,555,200
Sec. 103. FINANCIAL AND BUSINESS SERVICES	
Full-time equated classified positions	83.0
Financial support services—28.0 FTE positions	\$ 1,709,800
Field operations support—20.0 FTE positions	1,443,300
Automated data processing—12.0 FTE positions	6,130,700
Office of special environmental projects—6.0 FTE positions	591,600
Personnel—13.0 FTE positions	790,500
Administrative hearings—4.0 FTE positions	402,900
GROSS APPROPRIATION	\$ 11,068,800
Appropriated from:	
Interdepartmental grant revenues:	
IDT, interdivisional charges	5,779,400
Federal revenues:	
DOD, federal	1,000
EPA, federal	200,000
EPA, superfund	56,400
Special revenue funds:	
Aboveground storage tank fee revenue	24,100
Clean Michigan initiative - administration	154,500
Environmental response fund	811,000
Land and water permit fees	33,300
Michigan underground storage tank financial assurance fund	172,200
Oil and gas regulatory fund	434,100
Public water supply fees	165,000
Scrap tire regulatory fund	33,200
Settlement funds	183,900
State general fund/general purpose	\$ 3,020,700
Sec. 104. DEPARTMENTAL OPERATION SUPPORT	
Building occupancy charges	\$ 2,652,900
Rent - privately owned property	4,913,700
Publications	100,000
GROSS APPROPRIATION	\$ 7,666,600

For Fiscal Year
Ending Sept. 30,
2001

Appropriated from:
Special revenue funds:

Air emissions fees.....	\$	341,200
Environmental pollution prevention fund		37,900
Environmental response fund		428,700
Fees and collections.....		52,700
Land and water permit fees.....		62,600
Medical waste fees.....		18,600
Michigan underground storage tank financial assurance fund		132,300
Oil and gas regulatory fund		269,300
Publication revenue.....		100,000
Public utility assessments		11,600
Public water supply fees		167,000
Stormwater permit fees		44,500
Solid waste program fees		41,900
Scrap tire regulatory fund		35,000
Waste reduction revenue		52,000
Water analysis fees		92,900
Water pollution control revolving fund		79,400
Water use reporting fees		4,200
Underground storage tank fees.....		177,400
State general fund/general purpose	\$	5,517,400

Sec. 105. GEOLOGICAL SURVEY

Full-time equated classified positions	79.5	
Services to oil and gas programs—70.0 FTE positions		\$ 8,689,700
Well plugging - orphan wells—2.5 FTE positions		1,314,200
Coal and sand dune management—3.0 FTE positions.....		589,100
Mineral wells management—3.0 FTE positions.....		408,500
Metallic mining reclamation program—1.0 FTE position		65,900
GROSS APPROPRIATION		\$ 11,067,400

Appropriated from:

Federal revenues:		
DOI-USGS, federal.....		101,300
DOI-OSMRE, federal.....		303,700
Special revenue funds:		
Environmental response fund		73,600
Metallic mining surveillance fee revenue.....		65,900
Mineral well regulatory fee revenue.....		408,500
Orphan well fund.....		1,314,200
Oil and gas regulatory fund		8,486,500
Sand extraction fee revenue		184,100
State general fund/general purpose	\$	129,600

Sec. 106. LAND AND WATER MANAGEMENT

Full-time equated classified positions	152.0	
Land and water program direction—14.0 FTE positions.....		\$ 1,153,400
Field permitting and project assistance—81.0 FTE positions.....		6,854,400
Water management—26.0 FTE positions		2,286,800
Great Lakes shorelands—31.0 FTE positions.....		3,246,000
GROSS APPROPRIATION		\$ 13,540,600

Appropriated from:

Interdepartmental grant revenues:		
IDG, Michigan transportation fund		855,700
Federal revenues:		
EPA, federal.....		681,800
DOC-NOAA, federal.....		1,547,700
FEMA, federal		246,900

	For Fiscal Year Ending Sept. 30, 2001
Special revenue funds:	
Land and water permit fees.....	\$ 2,870,200
State general fund/general purpose	\$ 7,338,300
Sec. 107. AIR QUALITY	
Full-time equated classified positions	221.5
Air quality programs—221.5 FTE positions	\$ 18,744,800
GROSS APPROPRIATION	<u>\$ 18,744,800</u>
Appropriated from:	
Federal revenues:	
EPA, federal.....	3,243,900
Special revenue funds:	
Air emissions fees.....	8,968,500
Environmental response fund	86,100
State general fund/general purpose	\$ 6,446,300
Sec. 108. SURFACE WATER QUALITY	
Full-time equated classified positions	211.5
Compliance and permits—109.0 FTE positions	\$ 9,705,400
Surface water surveillance program—36.5 FTE positions.....	7,467,900
Watershed management and non-point source—42.0 FTE positions	4,719,500
Volunteer river, stream, and creek cleanup program.....	50,000
Fish contaminant monitoring contracts	321,000
Sewage sludge land application program—9.5 FTE positions	722,600
Stormwater discharge program—14.5 FTE positions	1,195,600
GROSS APPROPRIATION	<u>\$ 24,182,000</u>
Appropriated from:	
Federal revenues:	
EPA, federal.....	7,172,300
Special revenue funds:	
Local funds	1,103,900
CESARS service fee	25,500
Clean Michigan initiative - administration.....	540,700
Clean Michigan initiative - clean water fund	2,500,000
Environmental response fund	143,400
Saginaw Bay and River restoration revenue.....	150,000
Sewage sludge land application fee.....	722,600
State water pollution control revolving fund.....	584,100
Stormwater permit fees	1,189,200
State general fund/general purpose	\$ 10,050,300
Sec. 109. DRINKING WATER AND RADIOLOGICAL PROTECTION	
Full-time equated classified positions	209.7
Environmental health—34.0 FTE positions.....	\$ 3,639,100
Laboratory services administration—69.0 FTE positions	6,153,000
Drinking water—88.2 FTE positions.....	12,131,400
Radiological protection—18.5 FTE positions.....	1,651,200
Groundwater use reporting.....	100,000
GROSS APPROPRIATION	<u>\$ 23,674,700</u>
Appropriated from:	
Interdepartmental grant revenues	
IDG-MSP.....	609,400
Federal revenues:	
EPA, federal.....	890,600
EPA-GWDW	3,556,000
EPA, radon.....	219,100
Special revenue funds:	
Drinking water revolving fund	3,430,500
Great Lakes protection fund.....	100,000

	For Fiscal Year Ending Sept. 30, 2001
Medical waste fees.....	\$ 393,200
Public water supply fees	2,378,500
Settlement funds	283,100
Water analysis fees	2,260,600
Water use reporting fees	53,900
Fees and collections.....	697,500
State general fund/general purpose	\$ 8,802,300
Sec. 110. LOW-LEVEL RADIOACTIVE WASTE AUTHORITY	
Full-time equated classified positions	2.0
Low-level radioactive waste authority—2.0 FTE positions	\$ 761,700
GROSS APPROPRIATION	\$ 761,700
Appropriated from:	
Special revenue funds:	
Public utility assessments	761,700
State general fund/general purpose	\$ 0
Sec. 111. ENVIRONMENTAL RESPONSE	
Full-time equated classified positions	257.0
Environmental cleanup and redevelopment program	\$ 16,352,600
Contaminated site investigations, cleanup, and revitalization—206.0 FTE positions	16,209,100
State cleanup (part 201 of 1994 PA 451)	3,397,700
Emergency cleanup actions	2,000,000
Federal cleanup project management—51.0 FTE positions	5,302,600
Revitalization revolving loan program	7,000,000
Superfund cleanup	7,250,000
GROSS APPROPRIATION	\$ 57,512,000
Appropriated from:	
Federal revenues:	
DOD, federal	849,600
EPA, federal.....	1,411,000
EPA, superfund	8,372,400
Special revenue funds:	
Private funds	133,700
Clean Michigan initiative - administration	1,000,000
Cleanup and redevelopment fund	5,234,000
Environmental response fund	5,819,500
Environmental protection fund	6,000,000
Landfill maintenance trust fund	46,500
Revitalization revolving loan fund	1,000,000
Settlement funds	2,640,700
State general fund/general purpose	\$ 25,004,600
Sec. 112. STORAGE TANKS	
Full-time equated classified positions	120.5
MI underground storage tank financial assurance program—36.5 FTE positions	\$ 61,908,900
Underground storage tank program—45.0 FTE positions.....	6,670,700
Aboveground storage tank program—9.0 FTE positions	681,700
Leaking underground storage tank cleanup program	5,966,000
Emergency cleanup actions	2,000,000
Leaking underground storage tank program—30.0 FTE positions.....	4,373,800
GROSS APPROPRIATION	\$ 81,601,100
Appropriated from:	
Federal revenues:	
EPA-LUST trust.....	2,067,400
EPA-UST	267,600
Special revenue funds:	
Aboveground storage tank fees	681,700
Clean Michigan initiative - administration	600,000
Cleanup and redevelopment fund	2,966,000

	For Fiscal Year Ending Sept. 30, 2001
Environmental response fund	\$ 1,079,000
Michigan underground storage tank financial assurance fund	61,908,900
Underground storage tank fees	6,201,100
State general fund/general purpose	\$ 5,829,400
Sec. 113. WASTE MANAGEMENT	
Full-time equated classified positions	149.0
Administration and technical support—20.0 FTE positions	\$ 1,549,000
Compliance and enforcement—72.0 FTE positions	4,809,900
Hazardous waste permits—25.0 FTE positions	2,128,700
Groundwater permits—18.0 FTE positions	1,366,700
Solid waste program—14.0 FTE positions	1,367,900
Hazardous waste program support	605,000
Hazardous waste disposal facility closures	1,000,000
Solid waste disposal facility closures	1,000,000
GROSS APPROPRIATION	\$ 13,827,200
Appropriated from:	
Federal revenues:	
EPA, federal	2,903,000
Special revenue funds:	
Hazardous waste facility closure revenue	1,000,000
Hazardous materials transportation permit fund	82,400
Solid waste facility closure revenue	1,000,000
Environmental pollution prevention fund	1,231,900
Scrap tire regulatory fund	934,800
Solid waste program fees	1,203,300
Waste reduction fee revenue	60,000
State general fund/general purpose	\$ 5,411,800
Sec. 114. ENVIRONMENTAL ASSISTANCE DIVISION	
Full-time equated classified positions	109.0
Municipal assistance—39.5 FTE positions	\$ 3,198,900
Pollution prevention—37.0 FTE positions	3,387,500
Low-income community wastewater assistance	90,000
Environmental services—12.0 FTE positions	1,408,300
Pollution prevention outreach	200,000
Technical assistance—20.5 FTE positions	2,600,400
GROSS APPROPRIATION	\$ 10,885,100
Appropriated from:	
Federal revenues:	
EPA, federal	783,300
EPA-GWDW	159,600
Special revenue funds:	
Private funds	200,000
Private - oil company overcharge settlement	86,200
Air emissions fees	636,600
Clean Michigan initiative - administration	77,300
Settlement funds	67,100
Drinking water revolving fund	1,263,100
Environmental training revenue	284,900
State water pollution control revolving fund	2,457,000
Stormwater permit fees	83,300
Waste reduction fee revenue	4,019,400
Wastewater operator training fees	162,100
State general fund/general purpose	\$ 605,200
Sec. 115. CRIMINAL INVESTIGATIONS	
Full-time equated classified positions	22.0
Environmental investigations—22.0 FTE positions	\$ 1,888,200
GROSS APPROPRIATION	\$ 1,888,200

For Fiscal Year
Ending Sept. 30,
2001

Appropriated from:	
Federal revenues:	
EPA, federal.....	\$ 128,400
Special revenue funds:	
MUSTFA fund	108,200
Oil and gas regulatory fund	133,500
Scrap tire regulatory fund	56,200
State general fund/general purpose	\$ 1,461,900
Sec. 116. GRANTS	
Grants to counties—air pollution	\$ 2,854,900
Water pollution control and drinking water revolving fund.....	102,353,500
Noncommunity water grants	1,400,000
Land resource program grants.....	1,800,000
Federal - nonpoint source water pollution grants	6,500,000
Federal - Great Lakes remedial action plan grants	700,000
Great Lakes research and protection grants.....	1,900,000
Pollution prevention local grants.....	250,000
Radon grants.....	135,000
Septage waste compliance grants	200,000
Scrap tire grants.....	700,000
Drinking water revolving fund implementation.....	1,330,000
Local health department operations.....	10,267,200
GIS, floodplain mapping.....	210,000
GROSS APPROPRIATION	\$ 130,600,600
Appropriated from:	
Interdepartmental grant revenues	
IDG-MDCH, local public health operations.....	10,267,200
Federal revenues:	
DOC, federal.....	1,500,000
EPA, federal.....	7,500,000
EPA, radon.....	90,000
FEMA, federal	210,000
Federal revenues	85,000,000
Special revenue funds:	
Air emissions fees.....	1,664,800
Community pollution prevention fund.....	250,000
Drinking water revolving fund	1,330,000
Great Lakes protection fund.....	1,900,000
Public water supply fees	1,400,000
Scrap tire regulatory fund	700,000
Septage waste license fees	200,000
State general fund/general purpose	\$ 18,588,600
Sec. 118. BOND WASTE MANAGEMENT	
Full-time equated classified positions	2.0
Solid waste implementation staff—2.0 FTE positions.....	\$ 144,600
GROSS APPROPRIATION	\$ 144,600
Appropriated from:	
Special revenue funds:	
State general fund/general purpose	\$ 144,600

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 2000-2001 is \$260,737,800.00 and state spending from state resources to be paid to local units of government for fiscal year 2000-2001 is \$6,529,900.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF ENVIRONMENTAL QUALITY
GRANTS

Grants to counties - air pollution	\$ 2,854,900
Septage waste compliance program.....	200,000
Scrap tire grants.....	700,000
Noncommunity water grants	1,400,000
Radon grants.....	45,000
Drinking water grants	1,330,000
TOTAL.....	\$ 6,529,900

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) "CESARS" means chemical evaluation search and retrieval system.
- (b) "CMI" means clean Michigan initiative.
- (c) "Department" means the department of environmental quality.
- (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) "DOE" means the United States department of energy.
- (h) "DOI" means the United States department of interior.
- (i) "DOI-OSMRE" means the DOI office of surface mine reclamation.
- (j) "DOI-USGS" means the DOI United States geological survey.
- (k) "EPA" means the United States environmental protection agency.
- (l) "EPA-GWDW" means the EPA groundwater drinking water.
- (m) "EPA-LUST trust" means the EPA leaking underground storage tank trust fund.
- (n) "EPA, radon" means the EPA radon grants.
- (o) "EPA-UST" means the EPA underground storage tank.
- (p) "FEMA" means the federal emergency management agency.
- (q) "FTE" means full-time equated position.
- (r) "GIS" means geographic information system.
- (s) "IDG" means interdepartmental grant.
- (t) "IDT" means intradepartmental transfer.
- (u) "MDCH" means the Michigan department of community health.
- (v) "MDSP" means the Michigan department of state police.
- (w) "MI" means Michigan.
- (x) "MUSTFA" means the Michigan underground storage tank financial assurance fund.
- (y) "NPL" means the federal national priority list.

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 or to positions that are funded with 80% or more federal or restricted funds.

(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. The state budget director shall report by the fifteenth 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. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$30,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$5,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 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. The department shall continue to pilot the use of 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 the Internet or legislative Intranet site. The senate and house of representatives appropriations subcommittees and senate and house fiscal agencies shall be notified in writing of the Internet or Intranet site of any such report. Quarterly, the department shall provide a cumulative listing of the reports submitted during the most recent 3-month period along with the Internet or Intranet site of each report, and a list of those reports expected to be transmitted in the following quarter.

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.

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. (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 on September 30, 2001:

- (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 senate and house of representatives appropriations committees and senate and house fiscal agencies by January 1, 2001.

Sec. 212. By February 15, 2001, the department shall provide the state budget director, the subcommittees on natural resources and environmental quality of the house and senate 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, 2000 and September 30, 2001.

Sec. 213. The department shall provide an annual report on the total amount of funds received from responsible parties and legal settlements, and the disposition of these funds. Included in the report shall be a listing of the individual settlement cases, the location of the facilities involved, the type of violation committed, and the amount of funds received.

Sec. 214. The department shall notify the legislature and offer 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 99-665, 100 Stat. 4082.

Sec. 215. The department shall provide a report prepared by the department's internal auditor on the activities of the internal auditor for the prior fiscal year. This report shall include a listing of each audit or investigation performed by the internal auditor pursuant to sections 486(4) and 487 of the management and budget act, 1984 PA 431, MCL 18.1486 and 18.1487. The report shall identify the proportion of time spent on each of the statutory responsibilities listed in sections 485(4), 486(4), and 487 of the management and budget act, 1984 PA 431, MCL 18.1485, 18.1486, and 18.1487, and the time spent on all other activities performed in the internal audit function. The first report shall be due March 1, 2000, and biennially thereafter beginning on May 1 and shall be submitted to the governor, auditor general, the senate and house appropriations committees, the senate and house fiscal agencies, and the director.

Sec. 216. 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 and records.

Sec. 217. The state budget director shall provide a list of proposed work projects funded, in whole or in part, from appropriations in this act to the house and senate appropriations committees on November 15, 2000. This list shall provide detailed information including a description of project activities and services, the total work project funding level, spending for the fiscal year ending September 30, 1999, and the amount of budget authority required to complete the project.

Sec. 218. A joint legislative work group on court settlements is established. This work group shall consist of representatives of the house and senate standing committees and the house and senate appropriations subcommittees on natural resources and environmental quality. Members shall be appointed on a bipartisan basis by the speaker of the house of representatives and the senate majority leader. Assistance and staff support to the work group may be provided by the house and senate fiscal agencies. The work group shall issue a report on December 15, 2000 to the members of the legislature that includes a strategy for disbursing settlement revenue to impacted local governmental units in a manner consistent with court settlement agreements.

Sec. 219. (1) The department shall report all of the following information relative to allocations made in part 1 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, 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 of representatives 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. 220. By September 30, 2001, the department shall make electronically available via the department web site, a report of its efforts to implement the recommendations contained in the Michigan environmental science board report entitled "Analysis of the Michigan Department of Environmental Quality Administered Environmental Standard to Protect Children's Health" dated February 2000, which shall include the following efforts to include scientific and risk assessment staff from other state agencies to address children's health issues that cross agency jurisdictional boundaries, initiatives to evaluate exposure concerns resulting from contaminated soils, and data collection and risk assessment development processes for hazardous indoor and outdoor air pollutants.

Sec. 221. Of the money appropriated from the environmental education fund in section 102, \$5,000.00 shall be allocated to Michigan State University Extension Service - 4H Youth Programs to fund the Michigan Youth Conservation Council.

LAND AND WATER MANAGEMENT

Sec. 301. The department shall collect Great Lakes bottomland permit fees uniformly and fairly from commercial and noncommercial users of the Great Lakes bottomlands.

Sec. 303. By July 1, 2001, the department shall make or cause to be made a grant request to the Michigan Great Lakes protection fund for the purpose of an inventory of Michigan wetlands in counties contiguous to the Great Lakes and their connecting waters. The grant request may also include plans for the inventory of all remaining wetlands in this state on a county-by-county basis. Upon completion, the inventory shall be filed with the agricultural extension office, register of deeds, and county clerk as required by section 30321 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.30321.

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.

SURFACE WATER QUALITY

Sec. 501. Of the funds appropriated in section 108 for surface water surveillance, a minimum of \$250,000.00 shall be designated for grants to local organizations for water quality monitoring activities.

Sec. 502. (1) The department, in conjunction with the department of natural resources, shall provide a report on the impact of non-native, aquatic nuisance species and other non-native species on the natural resources and environment of the state. The report shall include recommendations for reducing or eliminating the negative impacts of such species on the natural resources and the environment of the state, and recommendations on how to prohibit new introductions of non-native aquatic nuisance species and other non-native species.

(2) The report required in subsection (1) may be included as a part of any report the department is required to prepare that assesses the status of and trends related to the overall state of the natural environment in the state. The report shall be submitted to the governor, to the standing committees of the legislature with jurisdiction over issues primarily related to natural resources and the environment, and to the senate and house appropriations subcommittees on environmental quality and natural resources. The report shall be submitted not later than October 1, 2001.

DRINKING WATER

Sec. 601. The department shall provide quarterly reports to the legislature on the revenues received and expenditures made by the drinking water and environmental units within the laboratory services appropriation line. The information shall include the types of tests conducted, the number of tests conducted at no charge, and the allocation of the general fund appropriation for each unit.

Sec. 602. The appropriation in part 1 for groundwater use reporting shall support the cost of developing a groundwater database needed to model the demands of irrigation wells on groundwater aquifers and the impacts of irrigation well systems on domestic water supplies.

ENVIRONMENTAL RESPONSE

Sec. 701. From the appropriations in part 1 for the environmental cleanup and redevelopment program under part 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20142, the department shall continue to make authorizations for response activities at environmental contamination sites and for the administration of the environmental cleanup and redevelopment program.

Sec. 702. The unexpended portion of the appropriation in part 1 for the state cleanup program, environmental cleanup and redevelopment program, emergency cleanup action, NPL - municipal landfill match grants, state cleanup, and superfund cleanup projects is 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, 2005.

Sec. 703. Of the funds appropriated in section 111 as state match for the superfund cleanup program, an amount not to exceed \$250,000.00 shall be expended as state match for the hazardous substance research center.

Sec. 705. The funds appropriated in section 111 for the environmental cleanup and redevelopment program shall be used to fund redevelopment and cleanup activities on the following sites:

Allegan: Sunrise LF
 Alpena: 1000 Highland Court
 Antrim: Portside Cleaners
 Arenac: Sappington Oil
 Barry: Kavco LF
 Bay: Kuhlman Electric
 Calhoun: Brooks Foundry
 Calhoun: McLeier Oil/Elm Street
 Clare: Agnes Gleason #1
 Clare: City of Clare Sanitary LF
 Crawford: Old Mill Property
 Grand Traverse: Norton & Woods 1-20A
 Gratiot: Velsicol Chemical Corporation
 Hillsdale: Heinz Oil Company
 Ingham: Kings Auto Property
 Ingham: Laundry and Dry Cleaning Village
 Ingham: Mobil Oil, Richard TE #1
 Ionia: Whites Bridge Rd Area
 Isabella: Vernon Township Ground Water Contamination
 Jackson: Smith Petroleum Henry W. Zaremba et al. #A-1

Leelanau: Commercial Well W. Bayshore
 Leelanau: Grand Traverse Overall Supply
 Livingston: Main Street Gregory
 Livingston: Marcy's Laundry Center
 Manistee: Morton International Merkey 13
 Monroe: Lor-San Oil
 Montcalm: Greenville Drums
 Montmorency: Lowell St Hillman Twp
 Muskegon: Ruddiman Drums
 Oakland: Cedar Creek Chloride Contamination
 Oakland: Hi-Mill Mfg Co
 Osceola: Richmond Sanitary Landfill
 Roscommon: State B-1
 Saginaw: L.A. Davidson
 Shiawassee: Helena St & Frederick St Res Wells (Shiawassee Sanitary LF)
 Van Buren: Commercial Street Industrial Area
 Wexford: Yuma Tar
 Various: Multisite Well Plugging

STORAGE TANKS

Sec. 801. (1) The funds appropriated in part 1 from the Michigan underground storage tank financial assurance fund for the purpose of carrying out the duties and responsibilities as specified in part 215 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.21501 to 324.21551, are considered work project appropriations and any unencumbered 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 carry out the responsibilities of part 215 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.21501 to 324.21551.

(b) The projects will be accomplished by contract and state employees.

(c) The total estimated cost is identified in a line-item appropriation.

(d) The tentative completion date is September 30, 2005.

(2) The Michigan underground storage tank financial assurance policy board shall allocate the amount of the underground storage tank financial assurance fund to be distributed to the department. If the amount recommended by the board is less than that appropriated in section 112, expenditures shall be adjusted accordingly.

(3) Included in the amounts appropriated in part 1 from the Michigan underground storage tank financial assurance fund are amounts sufficient to pay debt service costs on the bonds or notes issued pursuant to part 215 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.21501 to 324.21551.

Sec. 802. The department shall report to the state budget director, the senate and house of representatives appropriations subcommittees on environmental quality, and the senate and house fiscal agencies no later than October 31, 2001 on the Michigan underground storage tank financial assurance fund. The report shall include the fund balance, estimate of available revenues, number and dollar value of claims processed through September 30, 2000, and total estimated claims liability through December 22, 2002.

Sec. 803. The unexpended portion of the appropriation in part 1 for the leaking underground storage tank cleanup program is considered work project appropriations and any unencumbered or unallotted funds are carried over 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 over is to provide for redevelopment and contaminated site cleanup.

(b) These projects will be accomplished by contract.

(c) The total estimated costs of all projects is identified in each line-item appropriation.

(d) The tentative completion date for these projects is September 30, 2005.

Sec. 804. The funds appropriated in section 112 for the leaking underground storage tank cleanup program shall be used to fund redevelopment and cleanup activities on the following sites:

Branch: Archer Lake Marina

Branch: Holiday Harbor

Calhoun: Hooks Automotive

Calhoun: H.B. Sherman

Cass: Riggs Corner Store

Cass: Indian Lake Mini Super

Gladwin: Margaret Cearbaugh

Gratiot: Total Equipment Service

Hillsdale: Oakhaven

Ingham: Super Stop #9
 Ionia: Haight's Garage
 Iosco: Lansky Amoco
 Iosco: Rainbow Shell
 Kalamazoo: Vicksburg DPW
 Kalamazoo: Titus Construction
 Kalamazoo: Ro-Dad's Total
 Kalamazoo: McLeieer Oil Company
 Kalamazoo: Micro Machine
 Kent: SXT, Inc.
 Kent: Dwar Oil Company
 Kent: Huck's Corners
 Kent: Burlingame Partnership 2741 Burlingame
 Kent: Burlingame Partnership 2743 Burlingame
 Livingston: Millie's Market
 Livingston: Kennedy Residence
 Manistee: Wellston Hardware
 Monroe: Country Club USA
 Montcalm: J. I. S. Tire Service
 Montcalm: Rockford Market
 Montcalm: Geller Auto Service
 Montcalm: Thelma Franklin
 Oakland: Little Caesar's
 Ogemaw: Lovewell's Corner
 Ogemaw: Shady Shores Store
 Ogemaw: Rose City Feed & Tack
 Ogemaw: TJ's Restaurant
 Ogemaw: Skidway Car Care
 Osceola: Ralph's Marathon
 Presque Isle: Village of Millersburg
 Roscommon: Edgewater Marine
 Saginaw: Treasure Island
 Saginaw: Dale M. Seltzer/Kenneth Grieb
 St. Clair: Anady Property
 St. Clair: Former Gulf Station
 St. Joseph: Broker Services
 Van Buren: Joe's Mini Mart
 Washtenaw: S & S Auto

WASTE MANAGEMENT

Sec. 901. The appropriation in part 1 for pollution prevention includes authorization for 1.0 FTE position and \$60,000.00 to provide technical assistance to organizations and businesses involved in recycling and composting.

Sec. 902. The department shall provide a report by September 30, 2001 to the house and senate appropriations subcommittees on environmental quality, and the house and senate fiscal agencies that summarizes the projects awarded, and related expenditures under the solid wastes alternatives program portion of the environmental protection bond implementation, of the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106. The report shall include an assessment of the accomplishments of the solid wastes alternatives program and its components.

ENVIRONMENTAL ASSISTANCE

Sec. 1001. With funds appropriated in part 1, the department shall continue to implement a community right-to-know project to facilitate convenient public access to information about the performance of individual facilities in complying with requirements of air, surface water, waste management, storage tank, and environmental response programs, and with any permits issued pursuant to these programs. The project shall also facilitate convenient public access to information about the overall quality of Michigan's air, water, groundwater, and drinking water and the generation of municipal solid waste and regulated hazardous waste. In implementing this section, the department shall consult with interested stakeholders on a periodic basis, including, but not limited to, industrial and environmental group representatives.

Sec. 1002. The appropriation in part 1 for low-income community wastewater assistance shall be provided to the Michigan community action agency association. This appropriation enables the association to expand and maintain rural community assistance program services to all Michigan counties.

Sec. 1003. The department shall develop a strategy to expand the use of tire-derived fuels by public utilities, governmental units, and private industry as a means of eliminating accumulated scrap tires. The tire-derived fuel strategy shall be submitted to the house and senate appropriations subcommittees on environmental quality on or before March 1, 2001.

CRIMINAL INVESTIGATIONS

Sec. 1101. The department shall provide training in support of local efforts to regulate solid waste disposal. Department environmental conservation officers shall be directed to help train law enforcement officers and other enforcement personnel to develop community partnerships to combat illegal dumping at the local level.

GRANTS

Sec. 1201. 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 324.11719, 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. 1202. Loans provided by the water pollution control revolving fund pursuant to the appropriation in part 1 are to be repaid on schedule, and penalties shall be assigned for delinquent repayment as provided in part 53 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.5301 to 324.5316.

Sec. 1203. Of the amount of money 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.

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

A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2001; 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.

William Byl
David Mead
Deborah Cherry
Conferees for the House

Loren Bennett
Harry Gast
Kenneth DeBeaussaert
Conferees for the Senate

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

Senator Rogers moved that the rule be suspended.

The motion prevailed.

The question being on the adoption of the conference report,

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

Roll Call No. 588

Yeas—37

Bennett	Gast	McCotter	Shugars
Bullard	Goschka	McManus	Sikkema
Byrum	Gougeon	Miller	Smith, A.
Cherry	Hammerstrom	Murphy	Smith, V.
DeBeaussaert	Hart	North	Steil
DeGrow	Hoffman	Peters	Stille
Dingell	Johnson	Rogers	Van Regenmorter
Dunaskiss	Koivisto	Schuette	Vaughn
Emerson	Leland	Schwarz	Young
Emmons			

Nays—1

Jaye

Excused—0

Not Voting—0

In The Chair: President

House Bill No. 5278, entitled

A bill to make appropriations for the departments of attorney general, civil rights, civil service, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2001; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances for the fiscal year ending September 30, 2001; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

The House of Representatives has adopted the report of the Committee of Conference and ordered that the bill be given immediate effect.

The Conference Report was read as follows:

FIRST CONFERENCE REPORT

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

House Bill No. 5278, entitled

A bill to make appropriations for the departments of attorney general, civil rights, civil service, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2001; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances for the fiscal year ending September 30, 2001; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

Recommends:

First: That the House and Senate agree to the Substitute of the Senate as passed by the Senate and to the following amendments:

1. Amend page 2, line 1, by striking out all of part 1 and inserting:

“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 departments of attorney general, civil rights, civil service, management and budget, state, and treasury, the executive office, the legislative branch, and certain other state purposes, for the fiscal year ending September 30, 2001, from the funds indicated in this part. The following is a summary of the appropriations in this part:

TOTAL GENERAL GOVERNMENT

Full-time equated unclassified positions	42.0	
Full-time equated classified positions	6,063.0	
GROSS APPROPRIATION		\$ 2,671,546,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		\$ 150,579,200
ADJUSTED GROSS APPROPRIATION		\$ 2,520,967,000
Federal revenues:		
Total federal revenues		54,450,500
Special revenue funds:		
Total local revenues		3,545,900
Total private revenues		2,275,800
Total other state restricted revenues		1,968,415,300
State general fund/general purpose		\$ 492,279,500

Sec. 102. DEPARTMENT OF ATTORNEY GENERAL

(1) APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	595.0	
GROSS APPROPRIATION		\$ 61,393,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		9,473,700
ADJUSTED GROSS APPROPRIATION		\$ 51,919,800
Federal revenues:		
Total federal revenues		7,124,800
Special revenue funds:		
Total local revenues		0
Total private revenues		1,149,200
Total other state restricted revenues		8,374,800
State general fund/general purpose		\$ 35,271,000

(2) ATTORNEY GENERAL OPERATIONS

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	595.0	
Attorney general		\$ 124,900
Unclassified positions—5.0 FTE positions.....		457,800
Attorney general operations—576.5 FTE positions.....		58,901,400
Prosecuting attorneys coordinating council—18.5 FTE positions.....		1,609,400
PACC, training project.....		300,000
GROSS APPROPRIATION		\$ 61,393,500

Appropriated from:

Interdepartmental grant revenues:		
IDG from FIA		2,539,100
IDG from MDA, bovine research.....		295,100
IDG from MDCIS, financial and insurance services		98,400
IDG from MDCIS, health services.....		1,127,800
IDG from MDCIS, public utility assessments		1,603,300
IDG from MDSP, Michigan justice training fund.....		300,000
IDG from MDOT, comprehensive transportation fund		127,500
IDG from MDOT, Michigan transportation fund.....		10,000
IDG from MDOT, state aeronautics fund		119,800
IDG from MDOT, state trunkline fund.....		2,452,900
IDG from Michigan gaming control board.....		799,800
Federal revenues:		
DAG, state administrative match grant/food stamps.....		1,028,800
DED-OPSE, student loan, federal lender allowance.....		281,500
DOL-ETA, unemployment insurance		1,333,600
DOL-OSHA, occupational safety and health.....		262,000
EPA, multiple grants		234,800
Federal funds		703,100
HHS-OS, state Medicaid fraud control units.....		2,746,400
HHS, medical assistance, medigrant		534,600
Special revenue funds:		
Private - accident fund company revenue		1,149,200
Antitrust enforcement collections		293,500
Auto repair facilities fees.....		186,600
Collections revenue.....		571,000
Corporate fees and security fees		122,500
Environmental response fund		620,100
Franchise fees		234,100
Game and fish protection fund.....		660,900
Liquor purchase revolving fund		840,300
Manufactured housing fees		182,600
Michigan state housing development authority fees.....		469,400
Michigan underground storage tank financial assurance fund		154,200

Oil and gas privilege fee revenue.....	\$	138,500
Prisoner reimbursement.....		289,700
Prosecuting attorneys training fees		236,800
Retirement funds.....		596,900
Second injury fund.....		909,000
Self-insurers security fund.....		155,900
Silicosis and dust disease fund.....		464,200
State building authority revenue.....		78,300
State hospital authority		304,300
State lottery fund		198,700
Utility consumers fund.....		461,000
Waterways fund		80,100
Worker's compensation administrative revolving fund		126,200
State general fund/general purpose	\$	35,271,000
Sec. 103. DEPARTMENT OF CIVIL RIGHTS		
(1) APPROPRIATION SUMMARY:		
Full-time equated unclassified positions	5.0	
Full-time equated classified positions	166.5	
GROSS APPROPRIATION		\$ 15,272,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION.....		\$ 15,272,500
Federal revenues:		
Total federal revenues		934,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose		\$ 14,338,500
(2) CIVIL RIGHTS OPERATIONS		
Full-time equated unclassified positions	5.0	
Full-time equated classified positions	166.5	
Commission (per diem \$75.00).....		\$ 16,200
Unclassified positions—5.0 FTE positions.....		374,100
Civil rights operations—166.5 FTE positions		14,882,200
GROSS APPROPRIATION		\$ 15,272,500
Appropriated from:		
Federal revenues:		
EEOC, state and local antidiscrimination agency contracts.....		800,000
HUD, grant		134,000
State general fund/general purpose		\$ 14,338,500
Sec. 104. DEPARTMENT OF CIVIL SERVICE		
(1) APPROPRIATION SUMMARY:		
Full-time equated classified positions	230.5	
GROSS APPROPRIATION		\$ 30,405,600
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		3,300,000
ADJUSTED GROSS APPROPRIATION.....		\$ 27,105,600
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		9,257,600
State general fund/general purpose		\$ 11,218,900
(2) CIVIL SERVICE OPERATIONS		
Full-time equated classified positions	230.5	
Civil service operations—230.5 FTE positions		\$ 30,405,600
GROSS APPROPRIATION		\$ 30,405,600

Appropriated from:	
Interdepartmental grant revenues:	
IDG, training charges.....	\$ 2,000,000
IDG, 1% special funds.....	1,300,000
Federal revenues:	
Federal funds 1%.....	4,779,100
Special revenue funds:	
Local funds 1%.....	1,700,000
Private funds 1%.....	150,000
Freedom of information fees.....	1,100
State sponsored group insurance.....	2,650,000
State restricted funds 1%.....	6,606,500
State general fund/general purpose.....	\$ 11,218,900
Sec. 105. EXECUTIVE OFFICE	
(1) APPROPRIATION SUMMARY:	
Full-time equated unclassified positions.....	10.0
Full-time equated classified positions.....	75.0
GROSS APPROPRIATION.....	\$ 5,679,600
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	0
ADJUSTED GROSS APPROPRIATION.....	\$ 5,679,600
Federal revenues:	
Total federal revenues.....	0
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	0
Total other state restricted revenues.....	0
State general fund/general purpose.....	\$ 5,679,600
(2) EXECUTIVE OFFICE OPERATIONS	
Full-time equated unclassified positions.....	10.0
Full-time equated classified positions.....	75.0
Governor.....	\$ 154,800
Lieutenant governor.....	103,100
Executive office—75.0 FTE positions.....	4,588,600
Unclassified positions—8.0 FTE positions.....	833,100
GROSS APPROPRIATION.....	\$ 5,679,600
Appropriated from:	
State general fund/general purpose.....	\$ 5,679,600
Sec. 106. LEGISLATIVE AUDITOR GENERAL	
(1) APPROPRIATION SUMMARY:	
GROSS APPROPRIATION.....	\$ 15,059,700
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	1,609,600
ADJUSTED GROSS APPROPRIATION.....	\$ 13,450,100
Federal revenues:	
Total federal revenues.....	0
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	0
Total other state restricted revenues.....	266,600
State general fund/general purpose.....	\$ 13,183,500
(2) OFFICE OF THE AUDITOR GENERAL	
Legislative auditor general.....	\$ 124,900
Unclassified positions.....	135,700
Field operations.....	14,799,100
GROSS APPROPRIATION.....	\$ 15,059,700
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDCIS, liquor purchase revolving fund.....	85,300

IDG from MDCS	84,600
IDG from MDOT, comprehensive transportation fund	47,600
IDG from MDOT, Michigan transportation fund	132,400
IDG from MDOT, state aeronautics fund	31,100
IDG from MDOT, state trunkline fund	362,100
IDG, single audit act	866,500
Special revenue funds:	
Construction lien fund	12,000
Contract audit administration fees	63,900
Correctional industries revolving fund	37,100
Game and fish protection fund	20,000
Marine safety fund	1,800
Michigan state housing development authority fees	47,700
Michigan veterans trust fund	21,100
Motor transport revolving fund	29,900
Office services revolving fund	27,800
Waterways fund	5,300
State general fund/general purpose	\$ 13,183,500
Sec. 107. LEGISLATURE	
(1) APPROPRIATION SUMMARY:	
GROSS APPROPRIATION	\$ 106,420,700
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	\$ 106,420,700
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues	400,000
Total other state restricted revenues	1,041,800
State general fund/general purpose	\$ 104,978,900
(2) LEGISLATURE	
Senate	\$ 28,429,300
Senate automated data processing	2,265,200
Senate fiscal agency	3,346,300
House of representatives	39,510,300
House automated data processing	2,048,800
House fiscal agency	3,151,100
GROSS APPROPRIATION	\$ 78,751,000
Appropriated from:	
State general fund/general purpose	\$ 78,751,000
(3) LEGISLATIVE COUNCIL	
Legislative council	\$ 11,147,000
Legislative service bureau automated data processing	1,589,400
e-Law, legislative council technology enhancement project	1,000
Legislative corrections ombudsman	581,300
Worker's compensation	154,800
National association dues	388,400
GROSS APPROPRIATION	\$ 13,861,900
Appropriated from:	
Special revenue funds:	
Private - gifts and bequests revenues	400,000
State general fund/general purpose	\$ 13,461,900
(4) LEGISLATIVE RETIREMENT SYSTEM	
General nonretirement expenses	\$ 4,389,400
GROSS APPROPRIATION	\$ 4,389,400
Appropriated from:	
Special revenue funds:	
Court fees	1,041,800
State general fund/general purpose	\$ 3,347,600

(5) PROPERTY MANAGEMENT

Capitol building	\$	1,912,100
House of representatives office building		6,826,100
Farnum building		680,200
GROSS APPROPRIATION	\$	<u>9,418,400</u>
Appropriated from:		
State general fund/general purpose	\$	9,418,400

Sec. 108. LIBRARY OF MICHIGAN

(1) APPROPRIATION SUMMARY:

GROSS APPROPRIATION	\$	39,916,700
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	39,916,700
Federal revenues:		
Total federal revenues		4,557,400
Special revenue funds:		
Total local revenues		0
Total private revenues		75,000
Total other state restricted revenues		86,900
State general fund/general purpose	\$	35,197,400

(2) LIBRARY OF MICHIGAN

Operations.....	\$	8,408,100
Michigan library and historical center operations		2,843,900
Library automation		750,300
Statewide database access		1,079,900
Collected gifts and fees.....		161,900
State aid to libraries.....		14,350,700
Grant to the Detroit public library		5,871,600
Grand Rapids public library		406,400
Subregional state aid.....		604,300
Wayne County library for the blind and physically handicapped		49,200
Book distribution centers		332,000
Library services and technology act.....		4,557,400
Renaissance zone reimbursement		501,000
GROSS APPROPRIATION	\$	<u>39,916,700</u>
Appropriated from:		
Federal revenues:		
Library services and technology act.....		4,557,400
Special revenue funds:		
Private - gifts and bequests revenues		75,000
User fees.....		86,900
State general fund/general purpose	\$	35,197,400

Sec. 109. DEPARTMENT OF MANAGEMENT AND BUDGET

(1) APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0
Full-time equated classified positions	961.5
GROSS APPROPRIATION	\$ 163,529,800
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	72,113,300
ADJUSTED GROSS APPROPRIATION	\$ 91,416,500
Federal revenues:	
Total federal revenues	550,500
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	43,905,200
State general fund/general purpose	\$ 46,960,800

(2) MANAGEMENT AND BUDGET SERVICES

Full-time equated unclassified positions	6.0
Full-time equated classified positions	782.0

Unclassified positions—6.0 FTE positions.....	\$	548,600
Departmentwide services—62.0 FTE positions		15,017,000
Statewide administrative services—256.0 FTE positions		25,537,600
Statewide support services—353.0 FTE positions		67,207,800
Michigan administrative information network—111.0 FTE positions		25,177,100
GROSS APPROPRIATION	\$	<u>133,488,100</u>
Appropriated from:		
Interdepartmental grant revenues:		
IDG from building occupancy and parking charges		65,843,500
IDG from MDCH.....		235,000
IDG from MDOT, comprehensive transportation fund		50,200
IDG from MDOT, state aeronautics fund		26,600
IDG from MDOT, state trunkline fund.....		889,500
IDG from department of career development		100,000
IDG from user fees		3,713,500
Federal revenues:		
Federal - MESA, administration fund		550,500
Special revenue funds:		
Game and fish protection fund.....		188,300
Health management funds.....		1,245,900
Marine safety fund.....		22,800
MAIN user charges.....		4,624,600
Special revenue, internal service, and pension trust funds		7,209,300
State building authority revenue.....		459,900
State lottery fund		192,600
State sponsored group insurance, flexible spending accounts and COBRA.....		4,772,300
Waterways fund		44,800
State general fund/general purpose	\$	43,318,800
(3) STATEWIDE APPROPRIATIONS		
Professional development fund - MPES	\$	105,000
Professional development fund - MSC		150,000
Professional development fund - UAW		900,000
Professional development fund - local 31-M.....		50,000
Professional development fund - nonexclusively represented employees		50,000
GROSS APPROPRIATION	\$	<u>1,255,000</u>
Appropriated from:		
Interdepartmental grant revenues:		
IDG from employer contributions		1,255,000
State general fund/general purpose	\$	0
(4) SPECIAL PROGRAMS		
Full-time equated classified positions		179.5
Building occupancy charges - property management services for executive/legislative building occupancy	\$	1,820,400
Retirement services—165.5 FTE positions		25,346,800
Office of children's ombudsman—14.0 FTE positions		1,207,300
Health insurance reserve fund payment.....		412,200
GROSS APPROPRIATION	\$	<u>28,786,700</u>
Appropriated from:		
Special revenue funds:		
Deferred compensation		2,841,900
Pension trust funds.....		22,302,800
State general fund/general purpose	\$	3,642,000
Sec. 110. DEPARTMENT OF STATE		
(1) APPROPRIATION SUMMARY:		
Full-time equated unclassified positions		6.0
Full-time equated classified positions		2,048.0
GROSS APPROPRIATION	\$	186,385,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		54,904,200

ADJUSTED GROSS APPROPRIATION	\$	131,481,000
Federal revenues:		
Total federal revenues		2,704,700
Special revenue funds:		
Total local revenues		0
Total private revenues		501,600
Total other state restricted revenues		63,144,500
State general fund/general purpose	\$	65,130,200
(2) EXECUTIVE DIRECTION		
Full-time equated unclassified positions		6.0
Full-time equated classified positions		28.2
Secretary of state	\$	124,900
Unclassified positions—5.0 FTE positions		457,800
Operations—28.2 FTE positions		1,931,300
GROSS APPROPRIATION	\$	<u>2,514,000</u>
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDOT, Michigan transportation fund		552,000
Special revenue funds:		
Auto repair facilities fees		49,100
Driver fees		82,300
Expedient service fees		42,200
Look-up fees		387,200
Parking ticket court fines		6,600
Personal identification card fees		9,900
Reinstatement fees - operator licenses		87,800
Vehicle theft prevention fees		29,000
State general fund/general purpose	\$	1,267,900
(3) DEPARTMENT SERVICES		
Full-time equated classified positions		272.3
Operations—162.8 FTE positions	\$	18,188,700
Data processing—103.0 FTE positions		24,739,500
Assigned claims assessments—6.5 FTE positions		625,700
GROSS APPROPRIATION	\$	<u>43,553,900</u>
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDOT, Michigan transportation fund		15,922,300
Federal revenues:		
Federal funds		104,800
Special revenue funds:		
Administrative order processing fees		10,400
Assigned claims assessments		625,700
Auto repair facilities fees		535,600
Child support clearance fees		45,700
Driver fees		1,096,500
Expedient service fees		676,300
Look-up fees		9,235,400
Marine safety fund		66,000
Off-road vehicle title fees		6,900
Parking ticket court fines		124,100
Personal identification card fees		99,100
Reinstatement fees - operator licenses		876,900
Scrap tire fund		60,700
Snowmobile registration fee revenue		15,800
Vehicle theft prevention fees		388,800
State general fund/general purpose	\$	13,662,900
(4) REGULATORY SERVICES		
Full-time equated classified positions		198.6
Operations—96.9 FTE positions	\$	7,863,600

Auto regulation—101.7 FTE positions.....	\$	7,195,200
GROSS APPROPRIATION	\$	<u>15,058,800</u>
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDOT, Michigan transportation fund.....		3,383,100
Federal revenues:		
Federal funds		82,900
Special revenue funds:		
Auto repair facilities fees.....		3,806,400
Driver fees		543,300
Expedient service fees		27,000
Look-up fees.....		2,269,500
Parking ticket court fines		7,400
Personal identification card fees		37,000
Reinstatement fees - operator licenses		477,000
Vehicle theft prevention fees.....		1,281,900
State general fund/general purpose	\$	3,143,300
(5) CUSTOMER DELIVERY SERVICES		
Full-time equated classified positions		1,442.7
Branch operations—1,001.8 FTE positions.....	\$	65,798,100
Central records—339.1 FTE positions		24,370,700
Service delivery operations—85.6 FTE positions.....		6,189,500
Commemorative license plates—16.2 FTE positions		2,853,300
Specialty license plates		4,215,000
Olympic center plate.....		75,700
Organ donor program.....		104,100
GROSS APPROPRIATION	\$	<u>103,606,400</u>
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDOT, Michigan transportation fund.....		32,447,800
Federal revenues:		
Federal funds		1,086,200
Special revenue funds:		
Private funds		100
Auto repair facilities fees.....		76,500
Child support clearance fees		331,500
Commercial driver training school fees.....		57,200
Driver fees		11,336,500
Expedient service fees		1,602,000
Look-up fees.....		15,869,600
Marine safety fund.....		945,700
Mobile home commission fees.....		392,500
Motorcycle safety fund		125,100
Off-road vehicle title fees		101,100
Olympic center training fund		75,700
Parking ticket court fines		1,357,000
Personal identification card fees		1,267,900
Reinstatement fees - operator licenses		1,924,000
Snowmobile registration fee revenue		276,900
Vehicle theft prevention fees.....		174,800
State general fund/general purpose	\$	34,158,300
(6) ELECTION REGULATION		
Full-time equated classified positions		31.5
Election administration and services—28.5 FTE positions.....	\$	2,949,600
Fees to local units.....		69,800
Qualified voter file—3.0 FTE positions		1,408,700
GROSS APPROPRIATION	\$	<u>4,428,100</u>
Appropriated from:		
State general fund/general purpose	\$	4,428,100

(7) HISTORICAL PROGRAM

Full-time equated classified positions	74.7	
Historical administration and services—64.3 FTE positions		\$ 5,093,800
Federal programs—8.9 FTE positions		1,430,800
Mann house—0.5 FTE position		101,500
Lighthouse program—1.0 FTE position		152,700
Heritage publications		700,000
Private grants and gifts		400,000
GROSS APPROPRIATION		\$ <u>7,878,800</u>

Appropriated from:

Federal revenues:

DOI-NPS, historic preservation grants-in-aid		924,900
Federal funds		505,900
Special revenue funds:		
Private - grants and gifts		400,000
Private - Mann house trust fund		101,500
Heritage publication fund		700,000
State general fund/general purpose	\$	5,246,500

(8) DEPARTMENTWIDE APPROPRIATIONS

Building occupancy charges/rent	\$	8,476,200
Worker's compensation		869,000
GROSS APPROPRIATION	\$	<u>9,345,200</u>

Appropriated from:

Interdepartmental grant revenues:

IDG from MDOT, Michigan transportation fund		2,599,000
Special revenue funds:		
Auto repair facilities fees		160,800
Driver fees		494,600
Expedient service fees		16,100
Look-up fees		2,318,300
Parking ticket court fines		533,200
State general fund/general purpose	\$	3,223,200

Sec. 111. DEPARTMENT OF TREASURY

(1) APPROPRIATION SUMMARY:

Full-time equated unclassified positions	9.0	
Full-time equated classified positions	1,986.5	
GROSS APPROPRIATION		\$ 2,047,482,900

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers		9,178,400
ADJUSTED GROSS APPROPRIATION	\$	2,038,304,500

Federal revenues:

Total federal revenues		33,800,000
------------------------------	--	------------

Special revenue funds:

Total local revenues		1,845,900
Total private revenues		0
Total other state restricted revenues		1,842,337,900
State general fund/general purpose	\$	160,320,700

(2) EXECUTIVE DIRECTION

Full-time equated unclassified positions	9.0	
Full-time equated classified positions	4.0	
Unclassified positions—9.0 FTE positions		\$ 770,400
Office of the director—4.0 FTE positions		478,000
GROSS APPROPRIATION		\$ <u>1,248,400</u>

Appropriated from:

Special revenue funds:

State lottery fund		118,200
State services fee fund		133,200
State general fund/general purpose	\$	997,000

(3) DEPARTMENTWIDE APPROPRIATIONS

Travel.....	\$	1,815,900
Rent and building occupancy charges - property management services.....		3,699,300
Worker's compensation insurance premium		579,600
GROSS APPROPRIATION	\$	6,094,800

Appropriated from:

Interdepartmental grant revenues:

IDG from MDOT, state aeronautics fund		2,700
IDG, state agency collection fees.....		17,900

Special revenue funds:

Delinquent property tax administration fund.....		127,000
Delinquent tax collection revenue		3,228,500
Municipal finance fees		11,200
Treasury fees.....		18,900
Waterways fund		2,300
State general fund/general purpose	\$	2,686,300

(4) LOCAL GOVERNMENT PROGRAMS

Full-time equated classified positions	104.0	
Supervision of the general property tax law—49.0 FTE positions		\$ 3,587,300
Property tax assessor training—4.0 FTE positions.....		357,600
Local property tax services—22.5 FTE positions.....		2,771,700
Local finance—28.5 FTE positions.....		2,016,500
State compliance audits.....		60,000
Pari-mutuel audits		240,000
GROSS APPROPRIATION	\$	9,033,100

Appropriated from:

Special revenue funds:

Local - assessor training fees		357,600
Local - audit charges.....		688,300
Local - equalization study charge-backs		50,000
Local - revenue from local government.....		50,000
Delinquent property tax administration fund.....		2,447,400
Municipal finance fees		243,300
State general fund/general purpose	\$	5,196,500

(5) TAX PROGRAMS

Full-time equated classified positions	758.5	
Administration—229.0 FTE positions		\$ 18,349,900
Enforcement—521.5 FTE positions		34,312,100
Technology investment plan.....		5,000,000
Home heating assistance		1,600,000
Senior prescription drug credit processing		182,500
Michigan underground storage tank assurance fund—4.0 FTE positions		206,200
Tobacco tax collection—4.0 FTE positions.....		208,100
Sales and use tax multi-state cooperative initiative		200,000
Joint federal/state motor fuel compliance project.....		100,000
Bottle bill implementation		250,000
New hire reporting		1,545,000
FARSTAR tax audit system.....		4,242,400
GROSS APPROPRIATION	\$	66,196,200

Appropriated from:

Interdepartmental grant revenues:

IDG, data/collection services fees.....		250,900
IDG from FIA		1,545,000
IDG from MDCH.....		208,100
IDG from MDOT, state aeronautics fund		41,800

Federal revenues:

DOT-FHA, intermodal surface transportation efficiency act.....		410,000
HHS-SSA, low-income energy assistance		1,600,000

Special revenue funds:	
Bottle deposit fund.....	\$ 250,000
Delinquent tax collection revenue.....	37,672,400
Michigan pharmaceutical	182,500
Michigan underground storage tank financial assurance revenue	206,200
Tobacco tax revenue.....	325,000
Waterways fund	54,400
State general fund/general purpose	\$ 23,449,900

(6) MANAGEMENT PROGRAMS

Full-time equated classified positions	528.5
Administrative services—114.5 FTE positions.....	\$ 7,678,600
Controller operations—224.0 FTE positions	14,661,600
Information technology services—171.0 FTE positions	12,347,900
Unclaimed property services—8.0 FTE positions	3,031,300
Receipt, warrant and cash processing.....	3,736,300
Fiscal agent—3.0 FTE positions	144,300
Child support order offsets—8.0 FTE positions	522,300
GROSS APPROPRIATION	\$ <u>42,122,300</u>

Appropriated from:

Interdepartmental grant revenues:

IDG, fiscal agent service fees	144,300
IDG from FIA, title IV D.....	492,700
IDG from MDOT, state aeronautics fund	16,500
IDG, levy/warrant cost assessment fees	1,792,100
IDG, receipt, warrant and cash processing fees.....	3,736,300
IDG, state agency collection fees.....	437,600
IDG, user services.....	492,500

Special revenue funds:

Children’s trust fund	6,400
Delinquent property tax administration fund.....	17,900
Delinquent tax collection revenue	14,157,000
Escheats revenue	3,031,300
Garnishment fees	407,200
Treasury fees.....	156,600
Waterways fund	17,700
State general fund/general purpose	\$ 17,216,200

(7) FINANCIAL PROGRAMS

Full-time equated classified positions	297.5
Retirement investments—86.5 FTE positions.....	\$ 9,132,000
Common cash investments and debt management—10.5 FTE positions.....	818,400
Student financial assistance programs—174.5 FTE positions.....	33,549,900
Michigan merit award board/MEAP administration—26.0 FTE positions.....	18,870,600
Michigan education savings program	10,000,000
GROSS APPROPRIATION	\$ <u>72,370,900</u>

Appropriated from:

Federal revenues:

DED-OPSE, federal lenders allowance	9,487,900
DED-OPSE, higher education act of 1965, insured loans.....	22,302,100

Special revenue funds:

College work study	46,300
Michigan merit award trust fund	18,870,600
Tobacco settlement trust fund	10,000,000
Retirement funds.....	9,132,000
School bond fees.....	330,200
Treasury fees.....	243,800
State general fund/general purpose	\$ 1,958,000

(8) DEBT SERVICE

Water pollution control bond and interest redemption.....	\$ 2,627,100
School bond loan	28,402,000

Quality of life bond	\$	50,581,700
Clean Michigan initiative		9,959,700
GROSS APPROPRIATION	\$	<u>91,570,500</u>
Appropriated from:		
Special revenue funds:		
Local - school bond loan repayments by school districts		700,000
State general fund/general purpose	\$	90,870,500

(9) GRANTS

Grants to counties in lieu of taxes.....	\$	10,000
Convention facility development distribution		44,000,000
Michigan education trust fund challenge grants		50,000
Senior citizen cooperative housing tax exemption program.....		13,700,600
Constitutional state general revenue sharing grants.....		661,400,000
Statutory state general revenue sharing grants		939,200,000
Commercial mobile radio service payments.....		16,000,000
Health and safety fund grants		23,175,000
City of Benton Harbor - enterprise zone		170,600
Tax increment finance authority payments		4,000,100
Revenue sharing reimbursement — Marenisco Township.....		15,000
GROSS APPROPRIATION	\$	<u>1,701,721,300</u>

Appropriated from:

Special revenue funds:		
Commercial mobile radio service fees		16,000,000
Convention facility development fund.....		44,000,000
Sales tax		1,600,600,000
Health and safety fund		23,175,000
State general fund/general purpose	\$	17,946,300

(10) STATE LOTTERY

Full-time equated classified positions	202.0	
Lottery operations—164.0 FTE positions.....	\$	13,327,100
Promotion and advertising		18,372,000
Lottery data processing—38.0 FTE positions.....		4,959,500
GROSS APPROPRIATION	\$	<u>36,658,600</u>

Appropriated from:

Special revenue funds:		
State lottery fund		36,658,600
State general fund/general purpose	\$	0

(11) CASINO GAMING

Full-time equated classified positions	92.0	
Michigan gaming control board	\$	500,000
Casino gaming control administration—92.0 FTE positions		19,966,800
GROSS APPROPRIATION	\$	<u>20,466,800</u>

Appropriated from:

Special revenue funds:		
Casino gambling agreements.....		383,500
State services fee fund		20,083,300
State general fund/general purpose	\$	0".

2. Amend page 32, line 11, after "is" by striking out "\$2,465,969,400.00" and inserting "\$2,460,694,800.00".
3. Amend page 32, line 13, after "is" by striking out "\$1,715,774,300.00" and inserting "\$1,714,724,300.00".
4. Amend page 33, following line 9, by striking out
"Grant to the City of Center Line, emergency vehicle exhaust systems
 50,000". |
5. Amend page 33, line 13, by striking out all of line 13.
6. Amend page 33, line 14, by striking out "1,693,921,300" and inserting "1,692,871,300".
7. Amend page 33, line 15, by striking out "1,715,774,300" and inserting "1,714,724,300".
8. Amend page 50, following line 5, by striking out all of section 634.
9. Amend page 51, following line 16, by inserting:

"Sec. 656. (1) The Detroit and Grand Rapids public libraries shall each submit a report that specifies all of the following:

(a) From the funds appropriated in section 108 to the Detroit and Grand Rapids public libraries, all of the unique services that each library provides to the public.

(b) From the funds appropriated in section 108 to the Detroit and Grand Rapids public libraries, all of the unique services that each library provides to the state of Michigan.

(c) From the funds appropriated in section 108 to the Detroit and Grand Rapids public libraries, the amount of funding expended by each library for providing the services described in subdivisions (a) and (b).

(2) The reports required under this section shall be submitted by April 1 to the senate and house of representatives standing committees on appropriations subcommittees on general government.”.

10. Amend page 58, following line 22, by striking out all of section 719 and inserting:

“Sec. 719. The department of management and budget shall create a privacy policy that addresses the use of technologies to better serve individuals. The retention of information beyond the current web session shall not take place unless approved by those individuals. Information collected shall not be disseminated to businesses or private individuals that would use this information for third party surveys, marketing, or solicitations.”.

11. Amend page 64, line 25, by striking out “\$502,700.00” and inserting “\$152,700.00”.

12. Amend page 65, line 11, after “exceeds” by striking out “\$50,000.00” and inserting “\$20,000.00”.

13. Amend page 69, line 6, by striking out all of sections 825 and 826.

14. Amend page 85, line 24, by striking out all of subsections (3) and (4) and renumbering the remaining subsections.

15. Amend page 87, line 21, by striking out all of section 937.

16. Amend page 90, following line 2, by inserting:

“Sec. 956. County treasurers shall comply with section 151 of the state school aid act of 1979, 1979 PA 94, MCL 388.1751, to receive funds under section 111 for the statutory state general revenue sharing grant payments in excess of the constitutional state general revenue sharing grant payments. The payment of funds under section 111 for the statutory state general revenue sharing grant payments in excess of the constitutional state general revenue sharing grant payments shall not be withheld if a local unit of government fails to provide a county treasurer with information necessary to comply with section 151 of the state school aid act of 1979, 1979 PA 94, MCL 388.1751.”.

17. Amend page 90, line 12, by striking out all of section 959.

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

A bill to make appropriations for the departments of attorney general, civil rights, civil service, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2001; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances for the fiscal year ending September 30, 2001; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

John Pappageorge
Janet Kukuk
Lynne Martinez
Conferees for the House

John J.H. Schwarz
Shirley Johnson
Joe Young, Jr.
Conferees for the Senate

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

Senator Rogers moved that the rule be suspended.

The motion prevailed.

The question being on the adoption of the conference report,

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

Roll Call No. 589

Yeas—36

Bennett	Emmons	Leland	Shugars
Bullard	Gast	McManus	Sikkema
Byrum	Goschka	Miller	Smith, A.
Cherry	Gougeon	Murphy	Smith, V.
DeBeaussaert	Hammerstrom	North	Steil
DeGrow	Hart	Peters	Stille
Dingell	Hoffman	Rogers	Van Regenmorter

Dunaskiss
Emerson

Johnson
Koivisto

Schuetz
Schwarz

Vaughn
Young

Nays—2

Jaye

McCotter

Excused—0

Not Voting—0

In The Chair: President

Protest

Senator McCotter, under his constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the first conference report on House Bill No. 5278.

Senator McCotter's statement is as follows:

In any calculation of whether or not to vote for budget bill, we try to weigh the good versus the bad. But in my case, I have one instance within this budget that I think is a matter of principle that outweighed the rest. In short, one of the items would be tantamount to using taxpayers' money to figure out better and more effective ways to tax them. I cannot support using the taxpayers' money against them that way.

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

The motion prevailed.

Senator Schwarz's statement is as follows:

We have a member of the staff of the Senate Fiscal Agency who worked on this budget, who will be leaving the Senate the first week of August—Eric Limbs, who is standing over here to my left—to get yet another master's degree at the Kellogg Business School at Northwestern University in Chicago. Eric is a graduate of the Ford School of Public Policy at the University of Michigan and has done a superb job on the general government budget for several years. I would like my colleagues in the Senate and staff to join me in wishing Eric the very best as he continues his educational pursuits, getting a master's in business at the Kellogg School at Northwestern University, and thank him for his service to the Senate.

By unanimous consent the Senate returned to the order of

Messages from the House

House Bill No. 5274, entitled

A bill to make appropriations for the department of career development and certain other state purposes for the fiscal year ending September 30, 2001; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agencies.

The House of Representatives has rejected the report of the Committee of Conference and has appointed Reps. Kukuk, Godchaux and Prusi as second conferees.

The message was referred to the Secretary for record.

Senate Bill No. 757, entitled

A bill to amend 1982 PA 295, entitled "Support and parenting time enforcement act," by amending sections 31 and 32 (MCL 552.631 and 552.632), as amended by 1996 PA 301.

The House of Representatives has appointed Reps. Richner, Shulman and Baird as conferees to join with Senators Bullard, Hammerstrom and Dingell.

The bill was referred to the Conference Committee.

Senator Byrum stated that had she been present when the vote was taken on the adoption of the conference report of the following bill, she would have voted "yea":

Senate Bill No. 1044

Senate Bill No. 1013, entitled

A bill to amend 1974 PA 258, entitled "Mental health code," by amending section 226 (MCL 330.1226), as amended by 1998 PA 417.

The House of Representatives has amended the bill as follows:

- 1. Amend page 5, line 4, after "2001," by striking out "2002, AND 2003." and inserting "AND 2002."

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

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

Senator Rogers moved that the rule be suspended.

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

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

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

Roll Call No. 590

Yeas—37

Bennett	Gast	McCotter	Shugars
Bullard	Goschka	McManus	Sikkema
Byrum	Gougeon	Miller	Smith, A.
Cherry	Hammerstrom	Murphy	Smith, V.
DeBeaussaert	Hart	North	Steil
DeGrow	Hoffman	Peters	Stille
Dingell	Johnson	Rogers	Van Regenmorter
Dunaskiss	Koivisto	Schuette	Vaughn
Emerson	Leland	Schwarz	Young
Emmons			

Nays—1

Jaye

Excused—0

Not Voting—0

In The Chair: President

The Senate agreed to the full title.

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

Recess

Senator Rogers moved that the Senate recess subject to the call of the President.

The motion prevailed, the time being 7:59 p.m.

8:02 p.m.

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

By unanimous consent the Senate proceeded to the order of

Introduction and Referral of Bills

House Bill No. 5780, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 36101, 36111, and 36111b (MCL 324.36101, 324.36111, and 324.36111b), section 36101 as amended and section 36111b as added by 1996 PA 233 and section 36111 as amended by 1996 PA 567, and by adding part 362.

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

The bill was read a first and second time by title.

Senator Rogers moved that the rules be suspended and that the bill be placed on its immediate passage.

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

House Bill No. 5854, entitled

A bill to amend 1855 PA 105, entitled "An act to regulate the disposition of the surplus funds in the state treasury; to provide for the deposit of surplus funds in certain financial institutions; to lend surplus funds pursuant to loan agreements secured by certain commercial, agricultural, or industrial real and personal property; to authorize the loan of surplus funds to certain municipalities; to authorize the participation in certain loan programs; to authorize an appropriation; and to prescribe the duties of certain state agencies," by amending sections 3 and 7 (MCL 21.143 and 21.147), as amended by 1997 PA 32, and by adding section 2d.

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

The bill was read a first and second time by title.

Senator Rogers moved that the rules be suspended and that the bill be placed on its immediate passage.

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

By unanimous consent the Senate returned to the order of

Motions and Communications

The following communication was received and read:

Office of the Senate Majority Leader

June 20, 2000

Pursuant to Senator Rule 1.105, I hereby appoint the following members to the second conference committee on House Bill 5274:

Senator Johnson
Senator Stille
Senator Emerson

Sincerely,
Dan L. DeGrow
Senate Majority Leader

The communication was referred to the Secretary for record.

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

House Bill No. 5690

House Bill No. 5691

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

By unanimous consent the Senate returned to the order of

Third Reading of Bills

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

House Bill No. 5780

House Bill No. 5854

House Bill No. 5690

House Bill No. 5691

The motion prevailed.

The following bill was read a third time:

House Bill No. 5780, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 36101, 36111 and 36111b (MCL 324.36101, 324.36111, and 324.36111b) section 36101 as amended and section 36111b as added by 1996 PA 233 and section 36111 as amended by 1996 PA 567, and by adding part 362.

The question being on the passage of the bill,
Senator McManus offered the following substitute:
Substitute (S-3).

The substitute was adopted, a majority of the members serving voting therefor.

The question being on the passage of the bill,

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

Roll Call No. 591

Yeas—36

Bennett	Gast	McCotter	Shugars
Bullard	Goschka	McManus	Sikkema
Byrum	Gougeon	Miller	Smith, A.
Cherry	Hammerstrom	Murphy	Smith, V.
DeBeaussaert	Hart	North	Steil
DeGrow	Hoffman	Peters	Stille
Dingell	Johnson	Rogers	Van Regenmorter
Dunaskiss	Koivisto	Schuette	Vaughn
Emmons	Leland	Schwarz	Young

Nays—1

Jaye

Excused—0

Not Voting—1

Emerson

In The Chair: President

Senator Rogers moved that the bill be given immediate effect.

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

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

"An act to 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, and assessments; to provide certain appropriations; to prescribe penalties and provide remedies; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts,".

The Senate agreed to the full title.

The following bill was read a third time:

House Bill No. 5854, entitled

A bill to amend 1855 PA 105, entitled "An act to regulate the disposition of the surplus funds in the state treasury; to provide for the deposit of surplus funds in certain financial institutions; to lend surplus funds pursuant to loan

agreements secured by certain commercial, agricultural, or industrial real and personal property; to authorize the loan of surplus funds to certain municipalities; to authorize the participation in certain loan programs; to authorize an appropriation; and to prescribe the duties of certain state agencies," by amending sections 3 and 7 (MCL 21.143 and 21.147), as amended by 1997 PA 32, and by adding section 2d.

The question being on the passage of the bill,

Senators Gougeon and McManus offered the following amendments:

1. Amend page 3, line 11, after "HAS" by striking out the balance of the subdivision and inserting "CERTIFIED THAT IT IS AN ELIGIBLE MARINA."

2. Amend page 4, following line 6, by inserting:

"(5) UPON THE DETERMINATION BY THE DIRECTORS OF THE DEPARTMENTS OF NATURAL RESOURCES AND ENVIRONMENTAL QUALITY THAT THE NEED TO FACILITATE MARINA DREDGING LOANS HAS SIGNIFICANTLY DIMINISHED BASED ON CHANGES IN GREAT LAKES WATER LEVELS, THE STATE TREASURER MAY TAKE ACTIONS NECESSARY TO ENSURE THAT NO NEW MARINA DREDGING LOANS THAT ARE ATTRIBUTABLE TO AN INVESTMENT UNDER THIS SECTION ARE MADE. SUCH A DETERMINATION SHALL NOT AFFECT EXISTING MARINA DREDGING LOANS THAT ARE ATTRIBUTABLE TO AN INVESTMENT UNDER THIS SECTION." and renumbering the remaining subsections.

3. Amend page 4, line 25, by striking out all of subsection (7) and inserting:

"(7) ANNUALLY, EACH FINANCIAL INSTITUTION IN WHICH THE STATE TREASURER HAS MADE AN INVESTMENT UNDER THIS SECTION SHALL FILE AN AFFIDAVIT, SIGNED BY A SENIOR EXECUTIVE OFFICER OF THE FINANCIAL INSTITUTION, STATING THAT THE FINANCIAL INSTITUTION IS IN COMPLIANCE WITH THE TERMS OF THE INVESTMENT AGREEMENT."

4. Amend page 5, line 10, after "OF" by inserting "ELIGIBLE".

5. Amend page 5, line 17, by striking out all of subdivision (D).

6. Amend page 6, line 3, by striking out all of subdivision (D) and inserting:

"(D) "ELIGIBLE MARINA" MEANS A PRIVATELY OWNED, COMMERCIAL FACILITY IN THIS STATE THAT MEETS ALL OF THE FOLLOWING REQUIREMENTS:

(i) EXTENDS INTO OR OVER THE GREAT LAKES AND THEIR CONNECTING WATERS NAVIGABLE BY MOTORIZED WATERCRAFT FROM A GREAT LAKE.

(ii) PROVIDES DOCKING, MOORING OR LAUNCHING SERVICES AVAILABLE TO THE GENERAL PUBLIC FOR RECREATIONAL BOATING. MARINAS THAT LIMIT THEIR SERVICES BASED ON MEMBERSHIP OR RESIDENCY REQUIREMENTS ARE NOT ELIGIBLE.

(iii) PROVIDES MOORING FACILITIES FOR NO MORE THAN 200 RECREATIONAL WATERCRAFT THROUGH THE USE OF DOCKS, SLIPS, OR BROADSIDE MOORING.

(iv) HAS RECEIVED THE PERMITS REQUIRED BY LAW FROM THE DEPARTMENT OF ENVIRONMENTAL QUALITY AND THE ARMY CORPS OF ENGINEERS FOR THE DREDGING TO BE CONDUCTED WITH LOAN FUNDS."

7. Amend page 6, line 8, after the third "OF" by striking out "A" and inserting "AN ELIGIBLE".

8. Amend page 6, line 24, by striking out all of subdivision (H).

The amendments were adopted, a majority of the members serving voting therefor.

The question being on the passage of the bill,

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

Roll Call No. 592

Yeas—34

Bennett	Emmons	Koivisto	Schuette
Bullard	Gast	Leland	Schwarz
Byrum	Goschka	McCotter	Shugars
Cherry	Gougeon	McManus	Sikkema
DeBeaussaert	Hammerstrom	Miller	Steil
DeGrow	Hart	North	Stille
Dingell	Hoffman	Peters	Van Regenmorter
Dunaskiss	Jaye	Rogers	Young
Emerson	Johnson		

Nays—4

Murphy	Smith, A.	Smith, V.	Vaughn
--------	-----------	-----------	--------

Excused—0**Not Voting—0**

In The Chair: President

Senator Rogers moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.
The Senate agreed to the title of the bill.

Protest

Senator A. Smith, under her constitutional right of protest (Art. 4, Sec. 18), protested against the passage of House Bill No. 5854 and moved that the statement she made during the discussion of the bill be printed as her reasons for voting “no.”

The motion prevailed.

Senator A. Smith’s statement is as follows:

I have some real concerns about this bill. We are using public money for essentially a private purpose. As we move forward to finance private marinas in the state of Michigan and the dredging, we’re also beginning this program very late in the year. I’m not sure how much effect it will have when we finally get through the process, and we have dollars available for a relatively small number of small marinas.

The amendment recommended by the executive makes this bill a lot more acceptable than it was when it came over because it does put some qualifying criteria in it. The funding source is interesting in that instead of maximizing the returns on tax dollars to the state of Michigan, we’re doing arrangement with banks where we finance this private work at the marinas by reducing the amount of interest that we will be paid on the CDs that we invested in the banks. I’m very concerned about that. I understand we’ve done it before, but it’s really not a precedent that I would like to see go forward.

Those are my concerns. I’m probably a “no” vote on this bill, and I will probably be alone.

Senator Hart moved that rule 3.505 be suspended to allow him to vote “yea” on the passage of the following bill:

House Bill No. 5854

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

Senator Rogers moved that rule 2.106 be suspended to allow the Conference Committee on Senate Bill No. 964 to meet during Senate session.

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

Recess

Senator Rogers moved that the Senate recess subject to the call of the President.

The motion prevailed, the time being 8:22 p.m.

9:08 p.m.

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

The following bill was read a third time:

House Bill No. 5690, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” (MCL 324.101 to 324.90106) by adding sections 32610 and 32611.

The question being on the passage of the bill,

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

Roll Call No. 593**Yeas—33**

Bennett	Gougeon	McCotter	Shugars
Bullard	Hammerstrom	McManus	Sikkema
Byrum	Hart	Miller	Smith, A.
Cherry	Hoffman	Murphy	Smith, V.
DeBeaussaert	Jaye	North	Steil
DeGrow	Johnson	Peters	Stille
Dingell	Koivisto	Rogers	Van Regenmorter
Emmons	Leland	Schuette	Young
Goschka			

Nays—0**Excused—0****Not Voting—5**

Dunaskiss	Gast	Schwarz	Vaughn
Emerson			

In The Chair: Hoffman

Senator V. Smith moved that Senators Emerson and Vaughn be temporarily excused from the balance of today's session.

The motion prevailed.

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

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

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

“An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, and assessments; to provide certain appropriations; to prescribe penalties and provide remedies; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts.”

The Senate agreed to the full title.

Senators Emerson and Vaughn entered the Senate Chamber.

Senator Rogers moved that Senators Schuette and Dunaskiss be temporarily excused from the balance of today's session.

The motion prevailed.

The following bill was read a third time:

House Bill No. 5691, entitled

A bill to amend 1994 PA 451, entitled “Natural resources and environmental protection act,” by amending sections 32501, 32502, 32503, 32504, 32505, 32510, 32511, 32512, 32513, 32514, and 32515 (MCL 324.32501, 324.32502, 324.32503, 324.32504, 324.32505, 324.32510, 324.32511, 324.32512, 324.32513, 324.32514, and 324.32515), sections 32501, 32502, 32503, 32504, 32505, 32510, 32511, 32512, 32514, and 32515 as added by 1995 PA 59 and section 32513 as amended by 1999 PA 106, and by adding section 32510a and part 326.

The question being on the passage of the bill,

Senator Peters offered the following amendment:

1. Amend page 2, line 20, after "gas" by striking out the balance of the sentence and inserting a period.
2. Amend page 2, line 24, after "purposes" by striking out the balance of the sentence and inserting a period.

The question being on the adoption of the amendments,

Senator Sikkema moved that further consideration of the amendments be postponed temporarily.

The motion prevailed.

By unanimous consent the Senate proceeded to consideration of the following substitute offered by Senator Sikkema:

Substitute (S-3).

The question being on the adoption of the substitute,

Senator Sikkema offered the following amendment to the substitute:

1. Amend page 7, line 4, after "THAN" by striking out the balance of line through line 9 and inserting "5 YEARS. THE DEPARTMENT SHALL NOT ISSUE ANY PERMIT UNDER THIS PART THAT WILL BE EFFECTIVE BEYOND DECEMBER 31, 2006."

The amendment to the substitute was adopted.

Senator McManus offered the following amendment to the substitute:

1. Amend page 12, following line 6, by inserting:

"(G) THE NAMES AND ADDRESS OF PERSONS WHO SUBMITTED SUBMERGED LOG REMOVAL PERMIT APPLICATIONS TO THE DEPARTMENT.

(H) THE NAMES AND ADDRESSES OF PERSONS WHO RECEIVED PERMITS FROM THE DEPARTMENT AND THE NUMBER OF SUBMERGED LOGS RECOVERED BY THAT PERMITTEE."

The amendment to the substitute was adopted.

Senators Dunaskiss and Schuette entered the Senate Chamber.

Senator Peters offered the following amendment to the substitute:

1. Amend page 1, following "THE PEOPLE OF THE STATE OF MICHIGAN ENACT:" by inserting:

"Sec. 32503. (1) Except as otherwise provided in this section, the department, after finding that the public trust in the waters will not be impaired or substantially affected, may enter into agreements pertaining to waters over and the filling in of submerged patented lands, or to lease or deed unpatented lands, after approval of the state administrative board. Quitclaim deeds, leases, or agreements covering unpatented lands may be issued or entered into by the department with any person, and shall contain such terms, conditions, and requirements as the department determines to be just and equitable and in conformance with the public trust. The department shall reserve to the state all mineral rights, including, but not limited to, coal, oil, gas, sand, gravel, stone, and other materials or products located or found in those lands, except where lands are occupied or to be occupied for residential purposes at the time of conveyance.

(2) A riparian owner shall obtain a permit from the department before dredging or placing spoil or other materials on bottomland.

(3) The department shall not enter into a lease or deed of unparented lands that permits drilling operations for the taking of oil or gas. ~~unless all drilling operations originate from locations above and inland of the ordinary high water mark.~~ The department shall not enter into a lease or deed of unpatented lands that permits drilling for exploration purposes. ~~unless the drilling operations originate from locations above and inland of the ordinary high water mark.~~

(4) An agreement, lease, or deed entered into under this part by the department with the United States shall be entered into and executed pursuant to the property rights acquisition act, Act No. 201 of the Public Acts of 1986, being section 3.251 to 3.262 of the Michigan Compiled Laws.

The question being on the adoption of the amendment,

Point of Order

Senator Sikkema raised the Point of Order that the amendment was not germane to the bill because the bill dealt with submerged logs and the amendment dealt with drilling for oil and gas.

The Assistant President pro tempore, Senator Hoffman, ruled that the amendment was germane to the bill because it dealt with the same chapter in the act.

The question being on the adoption of the amendment,
Senator V. Smith requested the yeas and nays.

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

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

Roll Call No. 594**Yeas—18**

Byrum	Goschka	Miller	Smith, A.
Cherry	Hart	Murphy	Smith, V.
DeBeaussaert	Hoffman	North	Vaughn
Dingell	Koivisto	Peters	Young
Emerson	Leland		

Nays—19

Bennett	Gast	McCotter	Sikkema
Bullard	Gougeon	McManus	Steil
DeGrow	Hammerstrom	Rogers	Stille
Dunaskiss	Jaye	Schuette	Van Regenmorter
Emmons	Johnson	Shugars	

Excused—0**Not Voting—1**

Schwarz

In The Chair: Hoffman

Senator Peters asked and was granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Peters' first statement is as follows:

As we're dealing with this bill dealing with bottom lands and resources in the bottom lands of our Great Lakes, certainly this another resource part of the Great Lakes, and that's the oil and gas that lies under the Great Lakes. But I think everybody in this chamber will agree our primary focus, our primary job as a state legislator, should be to protect probably the greatest resource this state has, which is our Great Lakes.

The amendment before us would ban directional drilling underneath our Great Lakes—oil and gas drilling under there and oil and gas drilling along the shoreline of our Great Lakes. The shoreline is probably the most fragile ecological system that we have in this state, bordering a critical resource not only for tourism, but for drinking water for our state. This amendment will ensure that we do not jeopardize that valuable resource.

We only have to look at the events just recently of a break of a pipeline in Jackson County and the damage that occurred in Jackson County in the wetlands and flowing into the rivers. One can only imagine if a similar accident occurred along the shoreline of our Great Lakes as a result of this type of drilling operation. It is important, I believe it is imperative, that we put protections in place to ensure that never happens with Michigan's Great Lakes. Directional drilling should be banned, and I urge adoption of this amendment.

Senator Peters' second statement is as follows:

Well, I have to challenge some of comments that I heard from a couple of speakers prior, and one of the comments that this sort of drilling has been proven safe and there haven't been accidents. There are continually accidents in

drilling operations that do occur from time to time. In fact, I've also heard about pipelines that don't have accidents and that are proven safe. They're safe to run across property because they've all the scientific controls that are involved in them. You won't see an accident.

Well, tell that to the folks in Jackson County who saw that gasoline dumping out all over their lands, forcing their evacuation from their homes. I'm just asking folks here in the Senate to think about an oil well and a pipeline located on fragile shoreline adjacent to the Great Lakes, and just think of the disaster that could occur in that scenario.

Nothing is absolutely proven safe. Accidents always occur. They will occur. It's just a matter of time. I will say here that I believe that the Great Lakes are too valuable of a resource to subject to any risk whatsoever. They are a tremendous asset to the state not only to tourism, but a vast majority of the people of this state actually drink the water of the Great Lakes.

With plentiful supplies of oil and gas located inland, why—I ask the question why—would we subject the Great Lakes to any risk whatsoever from contamination from oil and gas. I strongly urge a support for this amendment.

The question being on the adoption of the substitute, as amended,
The substitute was adopted, a majority of the members serving voting therefor.
The question being on the passage of the bill,
The bill was passed, a majority of the members serving voting therefor, as follows:

Roll Call No. 595

Yeas—37

Bennett	Gast	Leland	Shugars
Bullard	Goschka	McCotter	Sikkema
Byrum	Gougeon	McManus	Smith, A.
Cherry	Hammerstrom	Miller	Smith, V.
DeBeaussaert	Hart	Murphy	Steil
DeGrow	Hoffman	North	Stille
Dingell	Jaye	Peters	Van Regenmorter
Dunaskiss	Johnson	Rogers	Vaughn
Emerson	Koivisto	Schuette	Young
Emmons			

Nays—0

Excused—0

Not Voting—1

Schwarz

In The Chair: Hoffman

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

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

“An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, and assessments; to provide certain appropriations; to prescribe penalties and provide remedies; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts.”.

The Senate agreed to the full title.

Senator Rogers asked and was granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Rogers' first statement is as follows:

I am going to offer a bit of thanks here for a whole bunch of people. You know we work very late in the evenings on occasions. Senators call staff members at all hours. These people do great work because in reality they do. There are so many bills that are getting jammed down their throats in a short amount of time. Their job is to make it right and to get it here. They are a big part of what makes this whole place work for the people of Michigan. I just want to read the names—and there's a bunch of them, but I want to read each and every one of them. I want to get this printed in the Journal as well because I think this is important. It's important work that they do, and I want them to hopefully take this home to their families so that they can understand how we value them here as members of the Senate.

From the Legal Division: Cindy Allen, Rachel Asbury, Jon Bassett, John Bollman, Lorna Bouknight, Casey Boyce, Therese Breuinger, Patsy Christmas, Jean Chingman, Carol Cousineau, Tom De Jonge, Chuck Dmochowski, Fred Doherty, Kevil Duhon, Joe Geshel, Terry Graham, Katrina Griffith, Barb Gonzales, Paul Fisher, Ben Hare, Donna Hasenauer, Delores Koski, Patti Lone, Dale Mattis, Doug McKee, Lorna Mosley, Mark Morton, Carrie Murgittroyd, Larry Olivares, Ed Paksi, Susan Patterson, Susi Phillips, Margie Randall-Moore, Carol Siemon, Terry Smith, Steve Transeth, Thomas Valli, Tim Van Wingen, Ed Wilson, Laura Wilson, Johanna Workman, and Rick Yuille.

Senator Rogers' second statement is as follows:

How could we forget the Office of the Secretary of the Senate? That lovely, humorous bunch who do have a great sense of humor, thank God. They keep us functioning here on the floor when we are in session, working unpredictable hours, making sure that all of the stuff we do out here actually looks right when it's all said and done. I want to thank them as well: Amending Clerks, Cindy Baker and Karla Barnes; Bill Clerks, Deborah Retlewski and Janet Thompson; Enrolling Clerks, Brent Morton and Angela Smith; Journal Clerks, Meghan Sollner, Audra Sweet, and Patricia Timmons; Resolutions/Secretary, Angela James; and, of course, the Manager, Bettie Trice.

To all of you, thank you very much. This has been a great session. We appreciate certainly your patience and your skill. Mr. President, I'd ask that the body give all of those folks from the Secretary of the Senate's Office, who make these session so pleasurable, a big round of applause.

Recess

Senator Rogers moved that the Senate recess subject to the call of the President.
The motion prevailed, the time being 9:41 p.m.

10:46 p.m.

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

By unanimous consent the Senate returned to the order of

Messages from the House

Senate Bill No. 1219, entitled

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending sections 1101, 1103, 1105, 1125, and 8132 (MCL 500.1101, 500.1103, 500.1105, 500.1125, and 500.8132), sections 1101, 1105, and 1125 as added by 1994 PA 226, section 1103 as amended by 1994 PA 443, and section 8132 as added by 1989 PA 302.

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

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

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

The Senate agreed to the full title.

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

By unanimous consent the Senate returned to the order of

Conference Reports

House Bill No. 5274, entitled

A bill to make appropriations for the department of career development and certain other state purposes for the fiscal year ending September 30, 2001; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agencies.

The House of Representatives has adopted the report of the second Committee of Conference and ordered that the bill be given immediate effect.

The Conference Report was read as follows:

SECOND CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning **House Bill No. 5274, entitled**

A bill to make appropriations for the department of career development and certain other state purposes for the fiscal year ending September 30, 2001; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agencies.

Recommends:

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

A bill to make appropriations for the department of career development and the Michigan strategic fund and certain other state purposes for the fiscal year ending September 30, 2001; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of career development and the Michigan strategic fund for the fiscal year ending September 30, 2001, from the funds indicated in this part, the following:

TOTAL APPROPRIATIONS

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	1,374.0	
GROSS APPROPRIATION		\$ 692,787,200
Total interdepartmental grants and intradepartmental transfers		\$ 1,148,000
ADJUSTED GROSS APPROPRIATION		\$ 691,639,200
Federal revenues:		
Total federal revenues		521,492,000
Special revenue funds:		
Total local revenues		14,962,800
Total private revenues		3,327,100
Total other state restricted revenues		60,545,800
State general fund/general purpose		\$ 91,311,500

Sec. 102. DEPARTMENT OF CAREER DEVELOPMENT

(1) APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	1,139.0	
GROSS APPROPRIATION		\$ 523,454,400
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		1,048,000
ADJUSTED GROSS APPROPRIATION		\$ 522,406,400
Federal revenues:		
Total federal revenues		468,818,800
Special revenue funds:		
Total local revenues		14,962,800
Total private revenues		2,670,400
Total other state restricted revenues		10,495,800
State general fund/general purpose		\$ 25,458,600

(2) DEPARTMENTAL ADMINISTRATION

Full-time equated unclassified positions	6.0	
Unclassified salaries		\$ 546,900
GROSS APPROPRIATION		\$ 546,900
Appropriated from:		
State general fund/general purpose		\$ 546,900

(3) DEPARTMENT OPERATIONS

Full-time equated classified positions	103.0	
Administration—103.0 FTE positions		\$ 11,562,800

	For Fiscal Year Ending Sept. 30, 2001
Building occupancy charges - property development services.....	\$ 479,000
Special project advances	200,000
Worker's compensation	213,900
GROSS APPROPRIATION	\$ 12,455,700
Appropriated from:	
Federal revenues:	
CNS	102,000
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants	4,180,700
DOL-ETA, workforce investment act	645,900
DOL, federal funds	3,279,000
HHS, temporary assistance for needy families	1,514,200
Special revenue funds:	
Private - special project advances	200,000
Contingent fund, penalty and interest	397,900
State general fund/general purpose	\$ 2,136,000
(4) WORKFORCE DEVELOPMENT	
Full-time equated classified positions	669.0
Employment training services—574.0 FTE positions.....	\$ 60,743,100
Michigan career and technical institute—95.0 FTE positions	10,163,200
GROSS APPROPRIATION	\$ 70,906,300
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDOC	32,400
Federal revenues:	
CNS	532,400
DAG, employment and training.....	258,300
DED, cooperative demonstration, school-to-work	700,000
DED-OPSE, multiple grants.....	615,500
DED-OSERS, centers for independent living	58,200
DED-OSERS, rehabilitation long-term training	566,900
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants	41,327,200
DED-OSERS, state grants for technical related assistance.....	55,700
DOL-ETA, multiple grants.....	596,300
DOL-ETA, workforce investment act	3,172,400
DOL-NOICC.....	171,900
HHS, temporary assistance for needy families	3,725,100
HHS-SSA, supplemental security income	4,185,500
Special revenue funds:	
Private - gifts, bequests, and donations	1,396,300
Local vocational rehabilitation match	3,247,100
Rehabilitation services fees.....	1,236,900
Second injury fund.....	51,500
Student fees	308,000
Training material fees	256,300
State general fund/general purpose	\$ 8,412,400
(5) CAREER EDUCATION PROGRAMS	
Full-time equated classified positions	64.0
Career and technical education—30.0 FTE positions	\$ 2,969,700
Postsecondary education—22.0 FTE positions	2,359,900
Adult education—12.0 FTE positions	1,753,100
GROSS APPROPRIATION	\$ 7,082,700
Appropriated from:	
Federal revenues:	
Federal revenues	5,192,300
Special revenue funds:	
Private - occupational school license fees	274,100

	For Fiscal Year Ending Sept. 30, 2001
Defaulted loan collection fees	\$ 102,200
State general fund/general purpose	\$ 1,514,100
(6) DEPARTMENT GRANTS	
Council of Michigan foundations.....	\$ 6,000,000
Adult basic education.....	11,004,700
Gear-up program grants	2,000,000
Job training programs subgrantees	111,248,300
Michigan community service commission subgrantees	5,900,000
Personal assistance services	462,000
Pre-college programs in engineering and the sciences	1,044,700
Supported employment grants	1,308,600
Technology assistance grants	1,150,000
Vocational education act of 1963	39,500,000
Vocational rehabilitation client services/facilities	50,143,400
Vocational rehabilitation independent living	3,115,700
Welfare-to-work programs	140,499,000
Focus: HOPE	5,494,300
GROSS APPROPRIATION	\$ 378,870,700
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDOC	1,015,600
Federal revenues:	
CNS	4,500,000
DAG, employment and training.....	13,000,000
DED-OESE, gear up	2,000,000
DED-OSERS, centers for independent living	525,000
DED-OSERS, client assistance for individuals with disabilities	400,000
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants	34,935,200
DED-OSERS, rehabilitation services facilities	2,272,500
DED-OSERS, supported employment	1,308,600
DED-OSERS, state grants for technical related assistance	1,150,000
DED-OVAE, adult education.....	11,004,700
DED-OVAE, basic grants to states	39,500,000
DOL-ETA, workforce investment act	104,602,700
DOL-ETA, multiple grants	4,430,000
HHS, temporary assistance for needy families	127,499,000
HHS-SSA, supplemental security income	2,362,500
Special revenue funds:	
Private - gifts, bequests, and donations	800,000
Contingent fund, penalty and interest account	1,000,000
Local vocational rehabilitation match	6,437,400
Local vocational rehabilitation facilities match.....	1,278,300
Tobacco settlement revenue	6,000,000
State general fund/general purpose	\$ 12,849,200
(7) EMPLOYMENT SERVICE AGENCY	
Full-time equated classified positions	303.0
Building occupancy charges - property development service	\$ 376,400
Rent	373,500
Worker's compensation	141,300
Employment services—251.0 FTE positions	48,326,600
Labor market information—52.0 FTE positions.....	4,374,300
GROSS APPROPRIATION	\$ 53,592,100
Appropriated from:	
Federal revenues:	
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants	1,300,000
DOL, federal funds	47,149,100

	For Fiscal Year Ending Sept. 30, 2001
Special revenue funds:	
Contingent fund, penalty and interest account	\$ 1,143,000
Local revenue.....	4,000,000
State general fund/general purpose	\$ 0
Sec. 103. MICHIGAN STRATEGIC FUND	
(1) APPROPRIATION SUMMARY:	
Full-time equated classified positions	235.0
GROSS APPROPRIATION	\$ 169,332,800
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	100,000
ADJUSTED GROSS APPROPRIATION	\$ 169,232,800
Federal revenues:	
Total federal revenues	52,673,200
Special revenue funds:	
Total private revenues	656,700
Total other state restricted revenues	50,050,000
State general fund/general purpose	\$ 65,852,900
(2) MICHIGAN STRATEGIC FUND	
Full-time equated classified positions	235.0
Administration—40.0 FTE positions.....	\$ 5,483,300
Job creation services—195.0 FTE positions.....	24,557,000
Michigan promotion program.....	8,042,500
Economic development job training grants	31,000,000
Community development block grants	50,000,000
Health and aging research and development strategies.....	50,000,000
Small business development center network	250,000
GROSS APPROPRIATION	\$ 169,332,800
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDEQ, air quality fees.....	100,000
Federal revenues:	
DOL-ETA, employment service	770,000
HUD-CPD, community development block grant.....	51,903,200
Special revenue funds:	
Private - Michigan certified development corporations fees.....	156,700
Private - special project advances	500,000
Industry support fees.....	50,000
Tobacco settlement revenue	50,000,000
State general fund/general purpose	\$ 65,852,900

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 2000-2001 is \$151,857,300.00 and state spending from state resources to be paid to local units of government for fiscal year 2000-2001 is \$0.00.

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

Sec. 203. As used in this appropriation act:

- (a) "CDBG" means community development block grant.
- (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 career development.
- (j) "Director" means the director of the department of career development.
- (k) "DOL" means the United States department of labor.
- (l) "DOL-ETA" means the DOL employment and training act.
- (m) "DOL-NOICC" means the DOL national occupational information coordinating committee.
- (n) "Fiscal agencies" means the Michigan house fiscal agency and the Michigan senate fiscal agency.
- (o) "FTE" means full-time equated.
- (p) "Fund" means the Michigan strategic fund.
- (q) "HHS" means the United States department of health and human services.
- (r) "HHS-SSA" means HHS social security administration.
- (s) "HUD-CPD" means HUD community planning and development.
- (t) "IDG" means interdepartmental grant.
- (u) "MDEQ" means the Michigan department of environmental quality.
- (v) "MDOC" means the Michigan department of corrections.
- (w) "President" means the president of the Michigan strategic fund.
- (x) "U.S.C." means the United States Code.
- (y) "WIA" means workforce investment 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) 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 or to positions that are funded with 80% or more federal or restricted funds.

(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. 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 justification for the exception.

Sec. 206. (1) In addition to the funds appropriated for the department and the fund in part 1, there is appropriated an amount not to exceed \$41,000,000.00 for the department and \$7,000,000.00 for the fund for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$2,000,000.00 for the department and \$1,000,000.00 for the fund for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$8,000,000.00 for the department for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,000,000.00 for the department and \$500,000.00 for the fund for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 207. At least 60 days before beginning any effort to privatize, the department and fund shall submit a complete project plan to the appropriate senate and house of representatives appropriations 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 appropriate senate and house of representatives appropriations subcommittees and the fiscal agencies within 30 months.

Sec. 208. The department and fund shall continue to pilot the use of 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 the Internet or legislative Intranet site. The senate and house of representatives appropriations subcommittees and fiscal agencies shall be notified in writing of the Internet or Intranet site of any such report. Quarterly, the department shall provide a cumulative listing of the reports submitted during the most recent 3-month period along with the Internet or Intranet site of each report, and a list of those reports expected to be transmitted during the fourth quarter. The department shall continue to distribute all of these reports to the legislature in the current printed format.

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.

Sec. 210. The director of the department and president of the fund 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 or president 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. Of the funds appropriated in part 1 that are in units other than the grants unit, the department and the fund shall not provide grants to local government agencies, institutions of higher education, or nonprofit organizations unless the department or the fund provides notice of the grant to the appropriations subcommittees of the house and senate at least 10 days before the grant is issued or at least 72 hours before any announcement to local governmental units or the public.

Sec. 212. The department and the fund shall provide a report prepared by the department's and the fund's internal auditor on the activities of the internal auditor for the prior fiscal year. This report shall include a listing of each audit or investigation performed by the internal auditor pursuant to sections 486(4) and 487 of the management and budget act, 1984 PA 431, MCL 18.1486 and 18.1487. The report shall identify the proportion of time spent on each of the statutory responsibilities listed in sections 485(4), 486(4), and 487 of the management and budget act, 1984 PA 431, MCL 18.1485, 18.1486, and 18.1487, and the time spent on all other activities performed in the internal audit function. The first report shall be due March 1, 2001 and biennially thereafter beginning on May 1 and shall be submitted to the governor, auditor general, the senate and house appropriations committees, the fiscal agencies, and the director and the president.

Sec. 213. The department and the fund 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.

DEPARTMENT OF CAREER DEVELOPMENT

Sec. 301. 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. 302. 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 U.S.C. 701 to 717, 720 to 724, 730 to 732, 740 to 741, 750, 752, 760 to 762, 770 to 777b, 777d to 777f, 780, 781 to 785, 790 to 794d, 795 to 795q, and 796 to 796i.

Sec. 303. The local match requirements for vocational rehabilitation facilities establishment grants shall not exceed 21.3% for the fiscal year ending September 30, 2001.

Sec. 304. (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) 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 appropriate appropriations subcommittees, the fiscal agencies, and the state budget director on or before January 15, 2001.

Sec. 305. (1) The appropriation in part 1 to the department for the work first program shall be expended for grants which provide employment and training services to family independence program applicants and recipients and may be expended for grants which provide employment 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 may be a district, intermediate 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 districts, intermediate 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) When the work first job search requirements have been completed, if the participant has not found employment, the work first site shall identify the barriers which may have prevented the participant from obtaining employment and assist the client in removing those barriers. The work first site shall also identify appropriate education and job training programs which would be available to the participant.

(4) Work first program participants shall include applicants and recipients of the family independence 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 family independence agency board or a county friend of the court as long as the participation in the job club is part of an application made under this section. Additionally, the department and the family independence agency shall work together to develop a program to provide employment services to former family independence program recipients and to recipients of noncash public assistance benefits such as child day care, Medicaid, or food stamp benefits. This program shall not be construed to be an entitlement to services.

(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 family independence agency 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 federal work requirements.

(8) The department shall make every effort to place a minimum of 25% of clients who participate in the work first program in positions that provide wages of \$6.00 per hour or more.

(9) The department shall submit to the fiscal agencies and the state budget director by March 15, 2001, 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 90 days, 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 family independence agency.

(10) A grant awarded under this section may extend beyond the end of the fiscal year in which the grant is awarded and the funds awarded for the grant may be available in the subsequent fiscal year for payment the next fiscal year.

(11) 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 the number of clients placed in employment in each service delivery area.

(12) The department and the family independence agency shall continue to collaborate on refining and making available to work first participants clear joint guidelines on the eligibility of work first participants for postemployment training support and on how training/education hours can be applied toward federal work participation requirements. These guidelines 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, 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 while in training/education. The department shall submit a progress report on these continuing efforts to the house and senate appropriations subcommittees with jurisdiction over the department and the family independence agency and to the fiscal agencies by October 1, 2000.

(13) Work first participants may meet the work participation requirement by combining a minimum of 10 hours per week of work with training/education. Training/education may last up to 12 months and the calculated hours may include actual classroom seat time up to 10 hours per week plus up to 1 hour of study time for each hour of classroom seat time. The combined work and training/education hours must equal the minimum number of hours required to meet the federal work participation requirements, 30 hours per week for a single parent, 35 hours per week for 2-parent families, 55 hours if utilizing federally funded day care, and 20 hours per week for single parents with a child under the age of 6. Work first participants may enroll in additional hours of classroom seat time beyond 10 hours. However, these hours and the related study time will not count toward the work participation requirement. The training may be no longer than a 1-year program, or the final year of a 2- or 4-year undergraduate program which is designed to lead to immediate labor force attachment.

(14) Work first participants may meet the federal 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. Two-parent families who receive federally funded day care must work an additional 25 hours per week to meet the federal work participation 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 6 months.

(15) 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 federal work participation requirement. There shall be no time limit on high school completion. GED preparation shall be limited to 6 months.

Sec. 306. (1) Using all relevant state data sources, the department shall acquire data on former work first participants, whose family independence program cases closed due to earnings during fiscal year 1999, for the second year in the continuing longitudinal study started in fiscal year 2000. In addition, first-year data will also be compiled on former work first participants whose family independence program cases were closed due to earnings during fiscal year 2000. 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 file a report containing the identified data with the appropriate house and senate appropriation subcommittees and fiscal agencies by March 15, 2001.

(3) The department shall cooperate with the family independence agency 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. 307. 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. 308. State and federal funds allocated to local workforce development boards for disbursement shall not be appropriated 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. 309. From the funds appropriated in part 1 to job training programs subgrantees, the department shall allocate sufficient funds to the Michigan works! service centers to allow these centers to remain fully operational.

Sec. 310. (1) Of the funds appropriated in part 1 for precollege programs in engineering and the sciences, \$620,000.00 shall be provided in the form of a grant to the Detroit precollege engineering program, incorporated and \$424,700.00 shall be provided in the form of a grant to the Grand Rapids area precollege engineering program.

(2) The department shall submit a report to the appropriate house and senate appropriations subcommittees and the fiscal agencies by February 1, 2001 regarding dropout rates, grade point averages, enrollment in science, engineering, and math-based curricula, and employment in science, engineering, and math-based fields for students within the programs. The report shall continue to evaluate the effectiveness of the precollege programs in engineering and sciences funded through part 1 appropriations and shall make recommendations on whether state support to expand such programs to other areas of the state is warranted in future fiscal years.

Sec. 311. Funds earned or authorized by the United States department of labor in excess of the gross appropriation in part 1 for 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 appropriations subcommittees of the house and senate of the purpose and amount of each grant award.

Sec. 312. (1) The department shall have at least 1 disabled veterans outreach program specialist or local veterans employment representative present, if able and willing to serve, at each Michigan works! employment services office on a full- or part-time basis during hours of operation.

(2) The department shall ensure that each Michigan works! employment services office shall have the necessary equipment to allow the disabled veterans outreach specialist or local veterans employment representative to perform his or her duties in the same manner they were performed prior to February 1, 1999.

(3) The department shall require each Michigan works! employment services office to have an employee available to ask each individual who enters the office for service 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! employment services office 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! employment services office 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. 313. The department shall report to the appropriations subcommittees of the house and senate by September 30, 2001, on the distribution of the Michigan community service commission volunteer investment grants.

Sec. 315. The funds appropriated in part 1 for the council of Michigan foundations from tobacco settlement revenue shall be distributed to the council of Michigan foundations as a grant to support local community efforts to address youth and senior health needs. The council may distribute the funds according to a formula determined by the council or may invest these funds. Any investment earnings from this appropriation shall be used for the same purpose as the original appropriation.

Sec. 316. 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. 317. Of the amounts appropriated in part 1 for postsecondary education, \$250,000.00 of private occupational school license fees shall fund 3.0 FTE positions and related administrative costs of the proprietary schools oversight unit within the department.

Sec. 318. Money in the school loan exception fee fund that is unexpended at the end of the fiscal year shall not revert to the general fund but shall be carried over to the succeeding fiscal year.

Sec. 319. 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. 320. 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 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. 321. The appropriation in part 1 for adult education shall be utilized to support the administration of up to \$100,000,000.00 in general fund/general purpose revenue for adult education programs. It is the intent of the legislature that department staff funded through the appropriation in part 1 ensure that at least \$80,000,000.00 in adult education program funding be distributed through the existing grant process as outlined in section 107 of the state school aid act of 1979, 1979 PA 94, MCL 388.1707. No more than \$20,000,000.00 may be administered through any alternative process.

Sec. 323. The department shall work with the department of community health to establish a Medicaid buy-in program for the working disabled through the options available under the federal ticket to work and work incentives improvement act of 1999.

Sec. 324. It is the intent of the legislature that the King-Chavez-Parks initiative is marketed by the department to Michigan parents and high school and college students, to promote the benefits and the availability of its various programs. It is further the intent of the legislature that the department administer the King-Chavez-Parks initiative in the same manner as when it was previously contained in the department of education.

Sec. 325. It is the intent of the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks future faculty program to increase the pool of minority candidates pursuing faculty teaching careers in postsecondary education. Each university shall apply the percentage increase applicable to every university in the calculation of appropriations allocated to the future faculty program.

Sec. 326. (1) It is the intent of the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college day program to introduce school children 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 cost. Not more than 20% of the university match shall be attributable to indirect costs. Each university shall apply the percentage increase applicable to every university in the calculation of appropriations allocated to the college day program.

Sec. 327. (1) It is the intent of the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student support services program to develop 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.

Sec. 328. (1) It is the intent of 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 to increase the number of underrepresented minority 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% university basis.

Sec. 329. It is the intent of the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks visiting professors program to increase the number of minority instructors in the classroom and provide role models for underrepresented minority students.

Sec. 330. Each state institution of higher education receiving funds under section 325, 326, 327, 328, or 329 shall notify the department by April 15, 2001 as to whether it will expend by the end of its fiscal year the funds received under section 325, 326, 327, 328, or 329. Notwithstanding the award limitations in sections 327 and 328, the amount of funding reported as not being expended will be reallocated to the institutions that intend to expend all funding received under section 325, 326, 327, 328, or 329.

Sec. 331. (1) It is the intent of the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the Morris Hood, Jr. educator development program 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 department.

(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.

MICHIGAN STRATEGIC FUND

Sec. 401. (1) The appropriation in part 1 to the fund for economic development job training shall be expended for competitive grants that ensure employers have the trained workers they need to compete in the global economy. The fund shall expedite grant awards for employers locating or expanding in Michigan and thereby creating significant numbers of new jobs in the state.

(2) Not more than 5% of the total grant, administration, and operating funds appropriated in part 1 for the fund's economic development job training grants program may be expended for administrative costs. Not more than 12% of the total grant awarded to recipients may be expended for administrative 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.

(4) At least 70% of the economic development job training grant funds shall be awarded to community colleges or a consortium of community colleges and other eligible applicants pursuant to the requirements of this section.

(5) Training grants provided by private sector trainers may reach or exceed 20% of total grants, but not less than 10%.

(6) An applicant may be a district, intermediate 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 districts, intermediate districts, community colleges, nonprofit organizations described in this subsection, or public or private nonprofit colleges or universities described in this subsection.

(7) On or before October 1, 2000, 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.

(8) 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.

(9) 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.

(10) Not more than \$5,000,000.00 of the amount appropriated in part 1 for economic development job training may be allocated to rapid response grants for employee training programs which maintain or attract permanent jobs for Michigan residents. A grant under this subsection shall be awarded to eligible applicants under subsection (1)(a).

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

(12) Funds allocated under this section shall be for the purpose of ensuring that employers have trained workers they need to compete in the global economy. The fund shall have on file a specific plan to accomplish its objectives. The program estimated completion cost is the total amount appropriated to the fund and shall have an estimated completion date of September 30, 2005.

(13) 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.

(14) For incumbent worker training, the business organization shall provide 25% of the program costs in matching funds as determined by the program.

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

(16) 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.

(17) The fund shall provide to the state budget director and the fiscal agencies by April 15 and November 1 of each year a report on the economic development job training grants. The report due by April 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 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.

(18) 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.

(19) As a condition of receiving funds under part 1 of this act, 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.

(20) Of the funds appropriated in part 1, \$1,000,000.00 may be used for a recruitment program. This will be a pilot program that provides worker recruitment assistance to companies in Michigan. Priority for using the funds shall be to recruit workers from outside the state of Michigan. However, in the event funds are available for in-state recruitment efforts, the Michigan works! agencies shall be utilized unless they indicate they are unable to provide the service.

Sec. 402. The travel administration 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. 403. The fund shall submit an annual status report to the appropriations subcommittees of the house of representatives and senate on all activities, grants, and investment programs financed from the strategic fund/renaissance fund using investment or Indian gaming revenues. The report shall provide a list of individual grants and loans made from the fund.

Sec. 404. The travel administration 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. 405. Of the funds appropriated in part 1 for the Michigan promotion program, at least 25% of all program funds shall be used to promote cultural tourism opportunities in Michigan. In addition, \$200,000.00 shall be used to promote tourism activities in the northeast region of the state.

Sec. 406. The fund shall submit on or before May 1, 2001 and November 1, 2001 to the senate and house of representatives appropriations subcommittees 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. 407. (1) The fund shall provide reports to the relevant senate and house of representatives appropriations subcommittees and the fiscal agencies concerning the activities of the Michigan economic development corporation. The report shall include, but not be limited to, the following programs funded in part 1:

- (a) Travel Michigan bureau.
- (b) National business development.
- (c) International business development.
- (d) Small, minority, and disabled business services.
- (e) CDBG.
- (f) Strategic/renaissance fund administration.
- (g) Renaissance zones.
- (h) Business roundtables.
- (i) Business and clean air ombudsman.
- (j) Economic development job training grants.
- (k) Film office.
- (l) Health and aging research and development initiative.

(m) Any other programs of the fund.

(2) The reports in subsection (1) shall be submitted by January 1, 2001. 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. 408. 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. 409. (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) It is the intent of the legislature that consideration 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. 410. (1) From the funds appropriated in part 1 for the fund, \$50,000,000.00 is appropriated for a health and aging research and development initiative to support basic and applied research in health-related areas, with emphasis on issues related to aging. The program shall be administered by the Michigan economic development corporation.

(2) A health and aging steering committee, appointed by the governor, shall consist of 14 members including the CEO of the Michigan economic development corporation, a member from Michigan State University, the University of Michigan, Wayne State University, the VanAndel Institute, and 2 members from the private sector. The remaining members shall be appointed at large and may include members from the private sector, public sector, or other Michigan universities. The purpose of the steering committee is to provide advice and oversight of the initiative, including the development of criteria for the award of contracts or grants to qualifying universities, institutions, or individuals. The steering committee will make decisions regarding distribution of these grant funds and has the authority to make minor adjustments to the category funding percentage based upon the demands within categories and the quality of the applications received.

(3) Of the funds appropriated, 40% is allocated for a basic research fund, to be distributed on a competitive basis to Michigan universities or Michigan nonprofit research institutes, or both, for basic research in health-related areas. Not less than \$5,000,000.00 is allocated to research related to aging diseases and health problems. Fifty percent of the appropriated funds are earmarked for a collaborative research fund to support peer-reviewed collaborative grants among Michigan universities and/or private research facilities, with emphasis on testing or developing emerging discoveries. Up to 10% of the appropriated funds may be used to support a commercial development fund to support commercialization opportunities for life science research in Michigan. Appropriated funds must be matched with other university, private, or federal funding. Not more than 1% of the appropriated funds may be used for administrative costs of administering the initiative.

Sec. 411. (1) The appropriation in part 1 for the Michigan small business development center network shall be awarded to the Michigan small business development center state headquarters, located at Wayne State University, for distribution to the small business development centers' offices located throughout Michigan. The Michigan small business development center state headquarters shall establish criteria for awarding these grant funds, which shall include, but are not limited to, all of the following:

(a) The ability to demonstrate a clear and effective plan to deliver small business management assistance services in this state.

(b) How small business management assistance services will enhance and expand basic services provided by the Michigan small business development center network under its existing cooperative agreement with the United States small business administration.

(2) The Michigan small business development center state headquarters shall compile a summary report to the fund that shall include a financial statement identifying all encumbrances on or expenditures from these grant funds. The summary report shall be submitted by September 30, 2001. The summary report shall include an economic impact analysis resulting from expenditure of the funds. All financial and impact reports shall be made available to the appropriate subcommittee of the house and senate appropriations committee upon request.

Sec. 412. The fund shall inform the members of the appropriate appropriations subcommittees of the house and senate of any decisions to eliminate any foreign outreach personnel.

Sec. 413. 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. 414. (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 returned to the general fund at the end of the fiscal year, unless carryforward authorization has been otherwise provided for in this act.

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

Sec. 415. As a condition of receiving funds under part 1, the fund shall ensure that a 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 a contractual interlocal agreement 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, complies 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.

Sec. 417. 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 Michigan strategic fund, Michigan economic development corporation, or the Michigan economic growth authority.

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

A bill to make appropriations for the department of career development and the Michigan strategic fund and certain other state purposes for the fiscal year ending September 30, 2001; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agencies.

Janet Kukuk
Patricia Godchaux
Conferees for the House

Shirley Johnson
Leon Stille
Conferees for the Senate

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

The motion prevailed.

The question being on the adoption of the conference report,

The second conference report was adopted, a majority of the members serving voting therefor, as follows:

Roll Call No. 596

Yeas—25

Bennett	Goschka	McCotter	Schuette
Bullard	Gougeon	McManus	Schwarz
Byrum	Hammerstrom	Miller	Shugars
DeGrow	Hoffman	North	Steil
Dunaskiss	Johnson	Peters	Stille
Emmons	Koivisto	Rogers	Van Regenmorter
Gast			

Nays—12

Cherry	Emerson	Leland	Smith, V.
DeBeaussaert	Hart	Murphy	Vaughn
Dingell	Jaye	Smith, A.	Young

Excused—0

Not Voting—1

Sikkema

In The Chair: Hoffman

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

House Bill No. 5833, entitled

A bill to amend 1961 PA 108, entitled “An act to provide for loans by the state of Michigan to school districts for the payment of principal and interest upon school bonds; to prescribe the terms and conditions of the loans and the conditions upon which levies for bond principal and interest shall be included in computing the amount to be so loaned by the state; to prescribe the powers and duties of the superintendent of public instruction and the state treasurer in relation to such loans; to provide for the repayment of such loans; to provide incentives for repayment of such loans; to provide for other matters in respect to such loans; and to make an appropriation,” by amending the title and sections 1, 2, 3, 4, 4a, 5, 6, 7, 8, 9, 9b, 10, 10a, 11, and 12 (MCL 388.951, 388.952, 388.953, 388.954, 388.954a, 388.955, 388.956, 388.957, 388.958, 388.959, 388.959b, 388.960, 388.960a, 388.961, and 388.962), the title and sections 6 and 9 as amended and section 9b as added by 1991 PA 65, sections 2, 4, and 11 as amended by 1992 PA 228, section 3 as amended by 1985 PA 25, section 4a as amended by 1991 PA 22, section 5 as amended by 1983 PA 124, and section 10 as amended and section 10a as added by 1989 PA 6, and by adding sections 1a, 9c, 10b, 10c, and 11a; and to repeal acts and parts of acts.

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

1. Amend page 16, line 26, after “COMPLETED” by striking out “CONCURRENTLY”.

The House of Representatives has concurred in the Senate substitute (S-1) as amended.

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

Senator Rogers moved that the rule be suspended.

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

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

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

Roll Call No. 597**Yeas—28**

Bennett	Gast	Koivisto	Shugars
Bullard	Goschka	McCotter	Sikkema
Byrum	Gougeon	McManus	Smith, V.
DeGrow	Hammerstrom	Miller	Steil
Dunaskiss	Hart	North	Stille
Emerson	Hoffman	Rogers	Van Regenmorter
Emmons	Johnson	Schuette	Young

Nays—9

Cherry	Jaye	Murphy	Smith, A.
DeBeaussaert	Leland	Peters	Vaughn
Dingell			

Excused—0

Not Voting—1

Schwarz

In The Chair: Hoffman

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

By unanimous consent the Senate returned to consideration of the following bill:

House Bill No. 5766, entitled

A bill to amend 1986 PA 281, entitled “The local development financing act,” by amending the title and sections 2, 4, 10, and 12 (MCL 125.2152, 125.2154, 125.2160, and 125.2162), the title and sections 4, 10, and 12 as amended by 1993 PA 333 and section 2 as amended by 1998 PA 92, and by adding section 12a.

(This bill was passed on June 8 and the motion to reconsider the vote postponed. See Senate Journal No. 56, pp. 1196, 1299.)

The question being on the motion to reconsider the vote by which the bill was passed,

The motion prevailed, a majority of the Senators serving having voted therefor.

The question being on the passage of the bill,

Senators Young and Schuette offered the following amendments:

1. Amend page 28, line 11, after “VALUE” by inserting “OR REASONABLE”.
2. Amend page 28, line 13, after “APPRAISER” by inserting “ONLY IF THE PROPERTY IS SOLD FOR FAIR MARKET VALUE”.
3. Amend page 29, following line 11, by inserting:

“(8) IF TITLE TO PROPERTY QUALIFIED AS A PUBLIC FACILITY UNDER SECTION 2(AA)(ii) AND ACQUIRED BY AN AUTHORITY WITH TAX INCREMENT REVENUES IS SOLD, CONVEYED, OR OTHERWISE DISPOSED OF PURSUANT TO SUBSECTION (6) FOR LESS THAN FAIR MARKET VALUE, THE AUTHORITY SHALL ENTER INTO AN AGREEMENT RELATING TO THE USE OF THE PROPERTY WITH THE PERSON TO WHOM THE PROPERTY IS SOLD, CONVEYED, OR DISPOSED OF, WHICH AGREEMENT SHALL INCLUDE A PENALTY PROVISION ADDRESSING REPAYMENT TO THE AUTHORITY IF ANY INTEREST IN THE PROPERTY IS SOLD, CONVEYED, OR OTHERWISE DISPOSED OF BY THE PERSON WITHIN 12 YEARS AFTER THE PERSON RECEIVED TITLE TO THE PROPERTY FROM THE AUTHORITY. THIS SUBSECTION SHALL NOT REQUIRE ENFORCEMENT OF A PENALTY PROVISION FOR A CONVEYANCE INCIDENT TO A MERGER, ACQUISITION, REORGANIZATION, SALE-LEASE BACK TRANSACTION, EMPLOYEE STOCK OWNERSHIP PLAN, OR OTHER CHANGE IN CORPORATE OR BUSINESS FORM OR STRUCTURE.

(9) THE PENALTY PROVISION DESCRIBED IN SUBSECTION (8) SHALL NOT BE LESS THAN AN AMOUNT EQUAL TO THE DIFFERENCE BETWEEN THE FAIR MARKET VALUE OF THE PROPERTY WHEN ORIGINALLY SOLD, CONVEYED, OR OTHERWISE DISPOSED OF AND THE ACTUAL CONSIDERATION PAID BY THE PERSON TO WHOM THE PROPERTY WAS ORIGINALLY SOLD, CONVEYED, OR OTHERWISE DISPOSED OF.”

The amendments were adopted, a majority of the members serving voting therefor.

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

The motion prevailed.

Senator Schuette’s statement is as follows:

I’m pleased to work with my colleague, Senator Young, on this collaborative effort which makes sure that with the smart parks and the high-tech parks we’re as competitive as any state in the nation in attracting new business development, maybe some high-tech and new technology, which will complement how we’ve modernized our industrial base in the state. If, indeed, one of these smart parks is formed and if it’s sold at less than fair market value, then indeed, the company that had sold it would pay the difference between the fair market value and the price sold to the LDFA or the local authority.

So I think this is, again, where you have local units of government wanting to attract new businesses to incubate new jobs, and at the same time, trying to be smart and accountable with tax dollars. I urge adoption of the Young/Schuette amendment.

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

Roll Call No. 598**Yeas—37**

Bennett	Gast	McCotter	Shugars
Bullard	Goschka	McManus	Sikkema
Byrum	Gougeon	Miller	Smith, A.
Cherry	Hammerstrom	Murphy	Smith, V.
DeBeaussaert	Hart	North	Steil
DeGrow	Hoffman	Peters	Stille
Dingell	Johnson	Rogers	Van Regenmorter
Dunaskiss	Koivisto	Schuette	Vaughn
Emerson	Leland	Schwarz	Young
Emmons			

Nays—1

Jaye

Excused—0**Not Voting—0**

In The Chair: Hoffman

By unanimous consent the Senate proceeded to the order of
Resolutions

Senator Rogers offered the following concurrent resolution:

Senate Concurrent Resolution No. 41.

A concurrent resolution prescribing the legislative schedule.

Resolved by the Senate (the House of Representatives concurring), That when the Senate adjourns on Wednesday, June 21, 2000, it stands adjourned until Tuesday, September 19, 2000, at 10:00 a.m.; and be it further

Resolved, That when the House of Representatives adjourns on Wednesday, June 21, 2000, it stands adjourned until Tuesday, September 26, 2000, at 2:00 p.m.

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

Senator Rogers moved that the rule be suspended.

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

The concurrent resolution was adopted.

Senator Rogers moved that when the Senate adjourns today, it stand adjourned until Wednesday, June 21, at 9:30 a.m.

The motion prevailed.

By unanimous consent the Senate returned to the order of
Introduction and Referral of Bills

Senators Johnson, Hammerstrom, Rogers, Goschka, Shugars, Bennett, Jaye and Bullard introduced

Senate Bill No. 1312, entitled

A bill to amend 1994 PA 295, entitled "Sex offenders registration act," by amending section 7 (MCL 28.727), as amended by 1999 PA 85.

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

Senator McCotter introduced

Senate Bill No. 1313, entitled

A bill to amend 1980 PA 299, entitled "Occupational code," by amending sections 2512 and 2517 (MCL 339.2512 and 339.2517), section 2512 as amended by 1996 PA 430 and section 2517 as added by 1993 PA 93.

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

Senator Schwarz introduced

Senate Bill No. 1314, entitled

A bill to amend 1963 PA 17, entitled "An act to relieve certain persons from civil liability when rendering emergency care, when rendering care to persons involved in competitive sports under certain circumstances, or when participating in a mass immunization program approved by the department of public health," by amending sections 1 and 2 (MCL 691.1501 and 691.1502), section 1 as amended by 1987 PA 30.

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

Senator Johnson introduced

Senate Bill No. 1315, entitled

A bill to amend 1927 PA 372, entitled "An act to regulate and license the selling, purchasing, possessing, and carrying of certain firearms and gas ejecting devices; to prohibit the buying, selling, or carrying of certain firearms and gas ejecting devices without a license; to provide for the forfeiture of firearms possessed in violation of this act; to provide immunity from civil liability under certain circumstances; to prescribe the powers and duties of certain state and local agencies; and to repeal all acts and parts of acts inconsistent with the provisions of this act," (MCL 28.421 to 28.434) by adding section 15.

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

Senator Bullard introduced

Senate Bill No. 1316, entitled

A bill to amend 1998 PA 58, entitled "Michigan liquor control code of 1998," by amending section 521 (MCL 436.1521), as amended by 1998 PA 282.

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

Senator Van Regenmorter introduced

Senate Bill No. 1317, entitled

A bill to amend 1973 PA 116, entitled "An act to provide for the protection of children through the licensing and regulation of child care organizations; to provide for the establishment of standards of care for child care organizations; to prescribe powers and duties of certain departments of this state and adoption facilitators; to provide penalties; and to repeal acts and parts of acts," by amending section 1 (MCL 722.111), as amended by 1994 PA 205.

The bill was read a first and second time by title and referred to the Committee on Families, Mental Health and Human Services.

Senators Johnson, Shugars, McCotter, Dunaskiss and Young introduced

Senate Bill No. 1318, entitled

A bill to amend 1978 PA 361, entitled "Michigan exposition and fairgrounds act," by amending sections 5, 6, and 9 (MCL 285.165, 285.166, and 285.169), as amended by 2000 PA 39.

The bill was read a first and second time by title and referred to the Committee on Farming, Agribusiness and Food Systems.

House Bill No. 4392, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," (MCL 257.1 to 257.923) by adding section 682b.

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

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

House Bill No. 5243, entitled

A bill to amend 1990 PA 187, entitled "The pupil transportation act," by amending section 55 (MCL 257.1855), as amended by 2000 PA 49.

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

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

House Bill No. 5672, entitled

A bill to amend 1964 PA 170, entitled "An act to make uniform the liability of municipal corporations, political subdivisions, and the state, its agencies and departments, officers, employees, and volunteers thereof, and members of certain boards, councils, and task forces when engaged in the exercise or discharge of a governmental function, for injuries to property and persons; to define and limit this liability; to define and limit the liability of the state when engaged in a proprietary function; to authorize the purchase of liability insurance to protect against loss arising out of this liability; to provide for defending certain claims made against public officers and paying damages sought or awarded against them; to provide for the legal defense of public officers and employees; to provide for reimbursement of public officers and employees for certain legal expenses; and to repeal certain acts and parts of acts," (MCL 691.1401 to 691.1415) by adding section 7c.

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

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

Statements

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

The motion prevailed.

Senator Goschka's statement is as follows:

I would just like to say to the members that earlier today we voted on House Bill No. 5740 which allows counselors in the state of Michigan to be able to counsel in our public schools without having to be certified to teach. I really believe that we did a very good thing for the children of Michigan. I have dubbed House Bill No. 5740 "The Ruthann Seese Bill." I'm very proud of what we have done not only for her as a counselor, but for all of the children in the state of Michigan and the good counselors they're going to be able to have in their schools because of our unanimous vote today on House Bill No. 5740.

So I congratulate every member of the Senate, and as we see more counselors become employed in our public schools who are not certified to teach, we have made a very wonderful decision for the children of Michigan as we will see.

Senator Byrum's statement is as follows:

Today I introduced a resolution urging the Institute of Medicine to expedite its review of two new studies on dioxin and diabetes. It would then report its finding to the Secretary of Veterans Affairs so that the Secretary can make a recommendation, whether a presumption of service connection to diabetes should exist.

This resolution recognizes that the United States Air Force planes sprayed 11 million gallons of Agent Orange in Viet Nam, exposing thousands of military personnel to the dangerous chemical dioxin. Recent studies show an overwhelming correlation between persons exposed to Agent Orange and diabetes.

Recognizing that the Secretary of Veterans Affairs has the discretion to recommend that a presumption of service connection to diabetes be established and that documentation for this presumption is expected to come from the Institute of Medicine, this resolution calls on the Institute of Medicine to expedite its review of the studies.

The evidence in favor of this presumption appears strong. It is important that the Secretary recognize the presumption in a timely fashion so that our veterans who are struggling with diabetes as a result of their exposure to Agent Orange are able to get adequate and timely treatment. I hope you will support this resolution that has been referred to the Committee on Health Policy.

Committee Reports

The Committee on Farming, Agribusiness and Food Systems reported

House Bill No. 4803, entitled

A bill to amend 1956 PA 40, entitled "The drain code of 1956," by amending sections 1, 2, 3, 6, 8, 10, 12, 21, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 51, 52, 53, 54, 101, 102, 103, 104, 105, 106, 151, 152, 153, 154, 155, 156, 157,

158, 161, 191, 192, 199, 200, 221, 222, 223, 241, 242, 243, 244, 245, 247, 261, 262, 263, 265, 266, 267, 269, 270, 273, 274, 275, 276, 277, 278, 279, 280, 282, 283, 301, 302, 303, 304, 306, 307, 322, 322b, 323, 324, 326, 327, 328, 391, 392, 393, 395, 421, 422, 423, 425, 429, 430, 431, 433, 463, 464, 465, 466, 467, 468, 469, 472, 473, 474, 476, 478, 483, 490, 491, 499, 513, 515, 517, 518, 519, 520, 521, 524, 525, 532, 540, 541, 622, 626, and 627 (MCL 280.1, 280.2, 280.3, 280.6, 280.8, 280.10, 280.12, 280.21, 280.23, 280.24, 280.25, 280.26, 280.27, 280.28, 280.29, 280.30, 280.31, 280.32, 280.33, 280.51, 280.52, 280.53, 280.54, 280.101, 280.102, 280.103, 280.104, 280.105, 280.106, 280.151, 280.152, 280.153, 280.154, 280.155, 280.156, 280.157, 280.158, 280.161, 280.191, 280.192, 280.199, 280.200, 280.221, 280.222, 280.223, 280.241, 280.242, 280.243, 280.244, 280.245, 280.247, 280.261, 280.262, 280.263, 280.265, 280.266, 280.267, 280.269, 280.270, 280.273, 280.274, 280.275, 280.276, 280.277, 280.278, 280.279, 280.280, 280.282, 280.283, 280.301, 280.302, 280.303, 280.304, 280.306, 280.307, 280.322, 280.322b, 280.323, 280.324, 280.326, 280.327, 280.328, 280.391, 280.392, 280.393, 280.395, 280.421, 280.422, 280.423, 280.425, 280.429, 280.430, 280.431, 280.433, 280.463, 280.464, 280.465, 280.466, 280.467, 280.468, 280.469, 280.472, 280.473, 280.474, 280.476, 280.478, 280.483, 280.490, 280.491, 280.499, 280.513, 280.515, 280.517, 280.518, 280.519, 280.520, 280.521, 280.524, 280.525, 280.532, 280.540, 280.541, 280.622, 280.626, and 280.627), sections 21 and 464 as amended by 1989 PA 134, section 33 as amended by 1982 PA 356, section 223 as amended by 1989 PA 61, section 280 as amended by 1983 PA 176, section 282 as amended by 1984 PA 80, sections 283 and 499 as amended by 1989 PA 149, section 423 as amended by 1996 PA 552, and section 433 as amended by 1982 PA 449, and by adding sections 7, 7a, 7b, 7c, 13, 14, 34, 35, 36, 53a, 55, 56, 57, 58, 59, 60, 61, 62, 63, 103a, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 201, 275a, 277a, 329, 330, 467a, 467b, 474a, 500, 519a, 615, 616, and 617; and to repeal acts and parts of acts.

With the recommendation that the substitute (S-1) be adopted and that the bill then pass.

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

George A. McManus, Jr.
Chairperson

To Report Out:

Yeas: Senators McManus, Stille, Gougeon and Byrum

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Technology and Energy reported

House Bill No. 5721, entitled

A bill to amend 1991 PA 179, entitled "Michigan telecommunications act," by amending sections 101, 103, 201, 203, 203a, 213, 302, 303, 304, 310, 312, 502, 503, 506, and 601 (MCL 484.2101, 484.2103, 484.2201, 484.2203, 484.2203a, 484.2213, 484.2302, 484.2303, 484.2304, 484.2310, 484.2312, 484.2502, 484.2503, 484.2506, and 484.2601), sections 101, 203, 213, 303, 304, 310, 312, and 601 as amended and sections 203a, 502, and 503 as added by 1995 PA 216 and section 506 as added by 1998 PA 259, and by adding sections 214, 316a, 507, and 701; and to repeal acts and parts of acts.

With the recommendation that the substitute (S-14) be adopted and that the bill then pass.

Mat Dunaskiss
Chairperson

To Report Out:

Yeas: Senators Dunaskiss, Sikkema, Schuette, Rogers and Byrum

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

COMMITTEE ATTENDANCE REPORT

The Committee on Technology and Energy submits the following:

Meeting held on Tuesday, June 20, 2000, at 9:00 a.m., Room 402 and 403, Capitol Building

Present: Senators Dunaskiss (C), Sikkema, Schuette, Rogers, Byrum and Dingell

Excused: Senator Leland

COMMITTEE ATTENDANCE REPORT

The Conference Committee on House Bill No. 5278 submits the following:

Meeting held on Thursday, June 8, 2000, at 4:00 p.m., Room 428, Capitol Building

Present: Senators Schwarz, Johnson and Young

COMMITTEE ATTENDANCE REPORT

The Conference Committee on Senate Bill No. 968 submits the following:

Meeting held on Monday, June 19, 2000, at 2:00 p.m., Senate Appropriations Room, Capitol Building

Present: Senators Gast (C), McManus and A. Smith

COMMITTEE ATTENDANCE REPORT

The Conference Committee on House Bill No. 5276 submits the following:

Meeting held on Monday, June 19, 2000, at 4:30 p.m., House Appropriations Room, Capitol Building

Present: Senators Bennett, Gast and DeBeaussaert

Scheduled Meetings**Conference Committees -**

SB 964 - Wednesday, June 21, 9:00 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-1777)

SB 967 - Wednesday, June 21, 8:45 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building (373-3447)

Families, Mental Health and Human Services - Monday, June 26, 9:00 a.m., Cadillac & Nicolet Rooms, University Center, Northern Michigan University, Marquette; Tuesday, June 27, 9:00 a.m., Commission Chambers, 2nd Floor, Governmental Center (City/County Building), Traverse City; Wednesday, June 28, 1:00 p.m., F & G Seminar Rooms, Curtis Hall, Saginaw Valley State University, Saginaw/Bay City; Thursday, July 6, 9:00 a.m. and 1:00 p.m., Northwest Activity Center, 18100 Myers Road, Detroit; and Friday, July 7, 9:00 a.m., Theater, Oakland Community College - Royal Oak Campus, Royal Oak (373-3543)

Senator Rogers moved that the Senate adjourn.

The motion prevailed, the time being 11:15 p.m.

In pursuance of the order previously made, the Assistant President pro tempore, Senator Hoffman, declared the Senate adjourned until Wednesday, June 21, at 9:30 a.m.

CAROL MOREY VIVENTI
Secretary of the Senate.

