

No. 87
STATE OF MICHIGAN
Journal of the Senate
92nd Legislature
REGULAR SESSION OF 2004

Senate Chamber, Lansing, Thursday, September 9, 2004.

10:00 a.m.

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

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

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

Emerson—present
Garcia—present
George—present
Gilbert—present
Goschka—present
Hammerstrom—present
Hardiman—present
Jacobs—present
Jelinek—present
Johnson—present
Kuipers—present
Leland—present
McManus—present

Olshove—present
Patterson—present
Prusi—present
Sanborn—present
Schauer—present
Scott—excused
Sikkema—present
Stamas—present
Switalski—present
Thomas—present
Toy—present
Van Woerkom—present

Senator Mark Schauer of the 19th District offered the following invocation:

I would like to read a prayer of St. Francis of Assisi:

“Lord, make me an instrument of Your peace.

Where there is hatred, let me sow love.

Where there is injury, pardon.

Where there is doubt, faith.

Where there is despair, hope.

Where there is darkness, light, and when there is sadness, joy.

O Divine Master, grant that I may not so much seek to be consoled, as to console,

To be understood as to understand;

To be loved, as to love;

For it is in giving that we receive—

It is in pardoning that we are pardoned;

And it is in dying that we are born to eternal life.”

Amen.

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

Recess

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

The motion prevailed, the time being 10:05 a.m.

11:01 a.m.

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

During the recess, Senators Clarke, Stamas, Thomas, Sikkema, Hardiman, McManus, Cropsey, Gilbert, George, Garcia, Hammerstrom, Allen, Van Woerkom, Kuipers, Johnson, Jelinek, Cassis, Bishop, Barcia, Toy, Birkholz, Brown and Goschka entered the Senate Chamber.

A quorum of the Senate was present.

Motions and Communications

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

House Bill No. 5313

Senate Bill No. 1340

Senate Bill No. 1323

Senate Bill No. 1103

Senate Bill No. 1104

Senate Bill No. 1105

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

Senator Schauer moved that Senators Bernero, Clark-Coleman and Scott be excused from today's session.

The motion prevailed.

The Secretary announced that the following House bills were received in the Senate and filed on Thursday, September 9:

House Bill Nos. 5457 5475 5627 5784 5839 5850 5851 5921

The Secretary announced that the following official bill was printed on Wednesday, September 8, and is available at the legislative Web site:

Senate Bill No. 1349

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

Senator Hammerstrom moved that consideration of the following bill be postponed for today:

Senate Bill No. 774

The motion prevailed.

Senate Bill No. 722, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 14501 (MCL 324.14501), as amended by 1998 PA 289, and by adding section 14514.

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

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

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

The Senate agreed to the full title.

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

Senate Bill No. 723, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 14513 (MCL 324.14513), as added by 1998 PA 289.

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

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

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

The Senate agreed to the full title.

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

Senate Bill No. 757, entitled

A bill to amend 1978 PA 368, entitled "Public health code," (MCL 333.1101 to 333.25211) by adding section 5475a.

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 pursuant to Joint Rule 20, inserted the full title.

Pursuant to rule 3.202, the bill was laid over one day.

Senate Bill No. 885, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending section 32j (MCL 388.1632j), as added by 2003 PA 158.

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

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

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

The Senate agreed to the full title.

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

Senate Bill No. 1244, entitled

A bill to amend 1998 PA 386, entitled "Estates and protected individuals code," (MCL 700.1101 to 700.8102) by adding section 3619.

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 amended the title to read as follows:

A bill to amend 1998 PA 386, entitled "An act to codify, revise, consolidate, and classify aspects of the law relating to wills and intestacy, relating to the administration and distribution of estates of certain individuals, relating to trusts,

and relating to the affairs of certain individuals under legal incapacity; to provide for the powers and procedures of the court that has jurisdiction over these matters; to provide for the validity and effect of certain transfers, contracts, and deposits that relate to death; to provide procedures to facilitate enforcement of certain trusts; and to repeal acts and parts of acts," by amending section 3614 (MCL 700.3614).

Pursuant to rule 3.202, the bill was laid over one day.

Senate Bill No. 1252, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending section 2543 (MCL 600.2543), as amended by 1986 PA 308.

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.

Pursuant to rule 3.202, the bill was laid over one day.

Senate Bill No. 1328, entitled

A bill to amend 1931 PA 328, entitled "The Michigan penal code," by amending section 224a (MCL 750.224a), as amended by 2002 PA 709.

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.

House Bill No. 5801, entitled

A bill to amend 1952 PA 214, entitled "An act authorizing the Mackinac bridge authority to acquire a bridge connecting the upper and lower peninsulas of Michigan, including causeways, tunnels, roads and all useful related equipment and facilities, including park, parking, recreation, lighting and terminal facilities; extending the corporate existence of the authority; authorizing such authority to enjoy and carry out all powers incident to its corporate objects; authorizing the appropriation and use of state funds for the preliminary purposes of the authority; providing for the payment of the cost of such bridge and in that connection authorizing the authority to issue revenue bonds payable solely from the revenues of the bridge; granting the right of condemnation to the authority; granting the use of state land and property to the authority; making provisions for the payment and security of such bonds and granting certain rights and remedies to the holders thereof; authorizing banks and trust companies to perform certain acts in connection therewith; authorizing the imposition of tolls and charges; authorizing the authority to secure the consent of the United States government to the construction of the bridge and to secure approval of plans, specifications and location of same; authorizing employment of engineers irrespective of whether such engineers have been previously employed to make preliminary inspections or reports with respect to the bridge; authorizing the state highway department to operate and maintain such bridge or to contribute thereto and enter into leases and agreements in connection therewith; exempting such bonds and the property of the authority from taxation; prohibiting competing traffic facilities; authorizing the operation of ferries by the authority; providing for the construction and use of certain buildings; and making an appropriation," by amending section 12 (MCL 254.322), as amended by 2003 PA 176.

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

1. Amend page 2, line 11, after "**Beginning**" by striking out "**September**" and inserting "**November**".

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

Pursuant to rule 3.202, the bill was laid over one day.

House Bill No. 5876, entitled

A bill to amend 1994 PA 451, entitled "An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, 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," by amending sections 3104, 3503, 4105, 6516, 6517, 6521, 8310, 8504, 9112, 11509, 11511, 11512, 11516, 11542, 11703, 11704,

11709, 30104, 30105, 30113, 30304, 30307, 31509, 31512, 32312, 32503, 32515, 35304, 36505, 41702, 41709, 42101, 42501, 42702, 44513, 44517, 45503, 45902, 45903, 45906, 61525, 62509, 63103a, 63103c, 63514, 63524, 63525, 63704, 63708, 72108, 76105, 76109, 76504, and 80159 (MCL 324.3104, 324.3503, 324.4105, 324.6516, 324.6517, 324.6521, 324.8310, 324.8504, 324.9112, 324.11509, 324.11511, 324.11512, 324.11516, 324.11542, 324.11703, 324.11704, 324.11709, 324.30104, 324.30105, 324.30113, 324.30304, 324.30307, 324.31509, 324.31512, 324.32312, 324.32503, 324.32515, 324.35304, 324.36505, 324.41702, 324.41709, 324.42101, 324.42501, 324.42702, 324.44513, 324.44517, 324.45503, 324.45902, 324.45903, 324.45906, 324.61525, 324.62509, 324.63103a, 324.63103c, 324.63514, 324.63524, 324.63525, 324.63704, 324.63708, 324.72108, 324.76105, 324.76109, 324.76504, and 324.80159), sections 3104, 30104, and 32312 as amended by 2003 PA 163, sections 3503, 6521, and 8504 as added by 1995 PA 60, sections 6516 and 6517 as amended by 1996 PA 166, section 8310 as amended by 2002 PA 418, section 9112 as amended by 2000 PA 504, sections 11509 and 11511 as amended by 1996 PA 358, sections 11512 and 11516 as amended by 2003 PA 153, section 11542 as amended by 1996 PA 359, section 30105 as amended by 1999 PA 106, section 30113 as amended by 2004 PA 246, sections 30304, 31509, 31512, 32515, and 35304 as added by 1995 PA 59, section 30307 as amended by 1998 PA 228, section 32503 as amended by 2002 PA 148, section 36505 as amended by 1998 PA 470, section 41702 as amended by 2001 PA 23, sections 41709, 42101, 42501, 44513, 44517, 45503, 45903, 63514, 63525, 63704, and 63708 as added by 1995 PA 57, section 42702 as amended by 2000 PA 191, section 45902 as amended by 1996 PA 200, section 45906 as amended by 2003 PA 270, section 61525 as amended by 1998 PA 303, section 62509 as amended by 1998 PA 467, sections 63103a and 63103c as added by 1997 PA 149, sections 63524 and 76504 as amended by 2001 PA 78, sections 72108 and 80159 as added by 1995 PA 58, and sections 76105 and 76109 as amended by 2001 PA 75, and by adding sections 1301, 1303, 1305, 1307, 1309, and 1311.

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

1. Amend page 73, following line 7, by inserting:

“Sec. 40116. (1) A person shall not take game during the established daylight shooting hours from August 15 through April 30 unless the person wears a cap, hat, vest, jacket, or rain gear of the highly visible color commonly referred to as hunter orange. Hunter orange includes blaze orange, flame orange, or fluorescent blaze orange, and camouflage that is not less than 50% hunter orange. The garments that are hunter orange shall be the hunter’s outermost garment and shall be visible from all sides of the hunter. ~~This section~~

(2) **Subsection (1)** does not apply to a person engaged in the taking of deer with a bow during archery deer season, a person taking bear with a bow, or a person engaged in the taking of ~~waterfowl, crow, or~~ **turkey or migratory birds other than woodcock.**

(3) ~~(2)~~ The failure of a person to comply with this section is not evidence of contributory negligence in a civil action for injury to the person or for the person’s wrongful death.”.

The House of Representatives has concurred in the Senate substitute (S-1) as amended, ordered that the bill be given immediate effect and amended the title to read as follows:

A bill to amend 1994 PA 451, entitled “An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, 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,” by amending sections 3104, 3503, 4105, 6516, 6517, 6521, 8310, 8504, 9112, 11509, 11511, 11512, 11516, 11542, 11703, 11704, 11709, 30104, 30105, 30113, 30304, 30307, 31509, 31512, 32312, 32503, 32515, 35304, 36505, 40116, 41702, 41709, 42101, 42501, 42702, 44513, 44517, 45503, 45902, 45903, 45906, 61525, 62509, 63103a, 63103c, 63514, 63524, 63525, 63704, 63708, 72108, 76105, 76109, 76504, and 80159 (MCL 324.3104, 324.3503, 324.4105, 324.6516, 324.6517, 324.6521, 324.8310, 324.8504, 324.9112, 324.11509, 324.11511, 324.11512, 324.11516, 324.11542, 324.11703, 324.11704, 324.11709, 324.30104, 324.30105, 324.30113, 324.30304, 324.30307, 324.31509, 324.31512, 324.32312, 324.32503, 324.32515, 324.35304, 324.36505, 324.40116, 324.41702, 324.41709, 324.42101, 324.42501, 324.42702, 324.44513, 324.44517, 324.45503, 324.45902, 324.45903, 324.45906, 324.61525, 324.62509, 324.63103a, 324.63103c, 324.63514, 324.63524, 324.63525, 324.63704, 324.63708, 324.72108, 324.76105, 324.76109, 324.76504, and 324.80159), sections 3104, 30104, and 32312 as amended by 2003 PA 163, sections 3503, 6521, and 8504 as added by 1995 PA 60, sections 6516 and 6517 as amended by 1996 PA 166, section 8310 as amended by 2002 PA 418, section 9112 as amended by 2000 PA 504, sections 11509 and 11511 as amended by 1996 PA 358, sections 11512 and 11516 as amended by 2003 PA 153, section 11542 as amended by 1996 PA 359, section 30105 as amended by 1999 PA 106, section 30113 as amended by 2004 PA 246, sections 30304, 31509, 31512, 32515, and 35304 as added by 1995 PA 59, section 30307 as amended by 1998 PA 228, section 32503 as amended by 2002 PA 148, section 36505 as amended by 1998 PA 470, section 40116 as amended by 1996 PA 154, section 41702 as amended by 2001 PA 23, sections 41709, 42101, 42501, 44513, 44517, 45503, 45903, 63514, 63525, 63704, and 63708 as added by 1995 PA 57, section 42702 as amended by 2000 PA 191, section 45902 as amended by 1996 PA 200, section 45906 as amended by 2003 PA 270, section 61525 as amended by 1998 PA 303, section 62509 as amended by 1998 PA 467, sections 63103a

and 63103c as added by 1997 PA 149, sections 63524 and 76504 as amended by 2001 PA 78, sections 72108 and 80159 as added by 1995 PA 58, and sections 76105 and 76109 as amended by 2001 PA 75, and by adding sections 1301, 1303, 1305, 1307, 1309, and 1311.

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

Senator Hammerstrom 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. 614

Yeas—34

| | | | |
|----------|-------------|-----------|-------------|
| Allen | Clarke | Jacobs | Sanborn |
| Barcia | Cropsey | Jelinek | Schauer |
| Basham | Emerson | Kuipers | Sikkema |
| Birkholz | Garcia | Leland | Stamas |
| Bishop | George | McManus | Switalski |
| Brater | Gilbert | Olshove | Thomas |
| Brown | Goschka | Patterson | Toy |
| Cassis | Hammerstrom | Prusi | Van Woerkom |
| Cherry | Hardiman | | |

Nays—0

Excused—3

| | | |
|---------|---------------|-------|
| Bernero | Clark-Coleman | Scott |
|---------|---------------|-------|

Not Voting—1

Johnson

In The Chair: President

The Senate agreed to the title as amended.

Conference Reports

House Bill No. 5516, entitled

A bill to make appropriations for the family independence agency and certain state purposes related to public welfare services for the fiscal year ending September 30, 2005; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

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

The Conference Report was read as follows:

FIRST CONFERENCE REPORT

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

House Bill No. 5516, entitled

A bill to make appropriations for the family independence agency and certain state purposes related to public welfare services for the fiscal year ending September 30, 2005; to provide for the expenditure of the appropriations; to create

funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

Recommends:

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

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

A bill to make appropriations for the family independence agency and certain state purposes related to public welfare services for the fiscal year ending September 30, 2005; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the family independence agency for the fiscal year ending September 30, 2005, from the funds indicated in this part. The following is a summary of the appropriations in this part:

FAMILY INDEPENDENCE AGENCY

APPROPRIATION SUMMARY:

| | | |
|--|---------------|-------------------------|
| Full-time equated classified positions..... | 10,297.0 | |
| Unclassified positions | 5.0 | |
| Total full-time equated positions | 10,302.0 | |
| GROSS APPROPRIATION | | \$ 4,291,526,700 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | 1,084,400 | |
| ADJUSTED GROSS APPROPRIATION | | \$ 4,290,442,300 |
| Federal revenues: | | |
| Total federal revenues | 3,028,126,600 | |
| Special revenue funds: | | |
| Total private revenues | 9,757,600 | |
| Total local revenues | 73,326,100 | |
| Total other state restricted revenues | 69,549,200 | |
| State general fund/general purpose | | \$ 1,109,682,800 |

Sec. 102. EXECUTIVE OPERATIONS

| | | |
|---|-------|----------------------|
| Total full-time equated positions..... | 387.1 | |
| Full-time equated unclassified positions | 5.0 | |
| Full-time equated classified positions | 382.1 | |
| Unclassified salaries—5.0 FTE positions | | \$ 537,200 |
| Salaries and wages—291.3 FTE positions..... | | 13,915,900 |
| Contractual services, supplies, and materials | | 6,700,300 |
| Demonstration projects—4.8 FTE positions..... | | 6,852,000 |
| Inspector general salaries and wages—86.0 FTE positions | | 4,361,600 |
| GROSS APPROPRIATION | | \$ 32,367,000 |

Appropriated from:

| | | |
|--|------------|---------------|
| Federal revenues: | | |
| Total federal revenues | 20,549,600 | |
| Special revenue funds: | | |
| Total private revenues | 1,219,300 | |
| Total local revenues | 200,000 | |
| State general fund/general purpose | | \$ 10,398,100 |

Sec. 103. FAMILY INDEPENDENCE SERVICES ADMINISTRATION

| | | |
|---|-------|--------------|
| Full-time equated classified positions | 111.8 | |
| Salaries and wages—56.2 FTE positions | | \$ 2,721,800 |
| Contractual services, supplies, and materials | | 10,746,600 |
| Employment and training support services..... | | 17,279,100 |
| Wage employment verification reporting..... | | 1,387,500 |
| Urban and rural empowerment/enterprise zones..... | | 100 |
| Training and staff development—50.1 FTE positions | | 8,645,500 |

| | For Fiscal Year Ending Sept. 30, 2005 |
|--|---|
| Community services block grant | \$ 28,082,700 |
| Nutrition education | 7,669,800 |
| Michigan housing and community development fund | 2,000,000 |
| Homeless prevention and food for the elderly | 150,000 |
| GROSS APPROPRIATION | \$ 78,683,100 |
| Appropriated from: | |
| Federal revenues: | |
| Total federal revenues | 68,709,200 |
| Special revenue funds: | |
| State general fund/general purpose | \$ 9,973,900 |
| Sec. 104. CHILD SUPPORT ENFORCEMENT | |
| Full-time equated classified positions | 174.7 |
| Child support enforcement operations—168.7 FTE positions | \$ 24,359,000 |
| Legal support contracts | 139,819,500 |
| Child support incentive payments | 32,409,600 |
| Child support distribution computer system—6.0 FTE positions | 26,035,900 |
| GROSS APPROPRIATION | \$ 222,624,000 |
| Appropriated from: | |
| Federal revenues: | |
| Total federal revenues | 204,107,700 |
| Special revenue funds: | |
| Total local revenues | 340,000 |
| State general fund/general purpose | \$ 18,176,300 |
| Sec. 105. CHILD AND FAMILY SERVICES | |
| Full-time equated classified positions | 99.5 |
| Salaries and wages—38.7 FTE positions | \$ 2,019,800 |
| Contractual services, supplies, and materials | 1,295,500 |
| Refugee assistance program—2.9 FTE positions | 12,661,100 |
| Foster care payments | 149,186,800 |
| Wayne County foster care payments | 76,177,300 |
| Adoption subsidies..... | 219,061,500 |
| Adoption support services—7.7 FTE positions | 14,488,300 |
| Youth in transition—2.0 FTE positions | 12,482,700 |
| Interstate compact | 300,000 |
| Children's benefit fund donations | 21,000 |
| Domestic violence prevention and treatment—3.5 FTE positions | 13,770,600 |
| Teenage parent counseling—2.3 FTE positions..... | 3,793,500 |
| Families first..... | 17,448,100 |
| Child safety and permanency plan | 16,900,700 |
| Strong families/safe children..... | 14,095,300 |
| Child protection/community partners—18.3 FTE positions..... | 5,713,400 |
| Zero to three | 4,000,000 |
| Family group decision making | 2,454,700 |
| Family reunification program..... | 4,062,700 |
| Family preservation and prevention services—12.0 FTE positions | 1,871,000 |
| Black child and family institute | 100,000 |
| Rape prevention and services | 2,600,000 |
| Children's trust fund administration—4.3 FTE positions | 473,800 |
| Children's trust fund grants..... | 3,615,000 |
| Attorney general contracts | 2,742,400 |
| Guardian contract..... | 600,000 |
| Prosecuting attorney contracts | 1,061,700 |
| Child care fund | 171,337,900 |
| Child care fund administration—5.8 FTE positions | 883,800 |
| County juvenile offices | 3,754,000 |
| Community support services—2.0 FTE positions | 1,328,700 |
| GROSS APPROPRIATION | \$ 760,301,300 |

For Fiscal Year
Ending Sept. 30,
2005

| | |
|---|----------------|
| Appropriated from: | |
| Federal revenues: | |
| Total federal revenues | \$ 428,197,900 |
| Special revenue funds: | |
| Private-children's benefit fund donations | 21,000 |
| Private-collections..... | 5,033,900 |
| Local funds - county payback | 45,385,900 |
| Children's trust fund | 3,294,100 |
| State general fund/general purpose | \$ 278,368,500 |

Sec. 106. JUVENILE JUSTICE SERVICES

| | |
|---|---------------|
| Full-time equated classified positions | 750.4 |
| W.J. Maxey training school—301.0 FTE positions | \$ 22,212,800 |
| Adrian training school—138.0 FTE positions | 9,552,000 |
| Bay pines center—44.0 FTE positions | 3,045,000 |
| Nokomis challenge center—43.0 FTE positions..... | 2,875,000 |
| Shawono center—39.0 FTE positions | 2,775,000 |
| Arbor heights—34.0 FTE positions..... | 2,875,000 |
| Community juvenile justice centers—37.0 FTE positions..... | 3,011,400 |
| Juvenile justice field staff, administration and maintenance—93.7 FTE positions | 19,446,000 |
| Federally funded activities—13.7 FTE positions..... | 1,734,100 |
| W.J. Maxey memorial fund | 45,000 |
| Juvenile accountability incentive block grant—3.0 FTE positions | 8,397,900 |
| Committee on juvenile justice administration—4.0 FTE positions..... | 460,600 |
| Committee on juvenile justice grants | 5,000,000 |
| GROSS APPROPRIATION | \$ 81,429,800 |

| | |
|--|---------------|
| Appropriated from: | |
| Federal revenues: | |
| Total federal revenues | 18,352,400 |
| Special revenue funds: | |
| Total private revenues | 645,000 |
| Local funds - county payback | 26,900,100 |
| State general fund/general purpose | \$ 35,532,300 |

Sec. 107. LOCAL OFFICE STAFF AND OPERATIONS

| | |
|---|----------------|
| Full-time equated classified positions | 7,991.1 |
| Field staff, salaries and wages—7,876.4 FTE positions | \$ 335,754,800 |
| Contractual services, supplies, and materials | 24,264,300 |
| Outstationed eligibility workers—29.0 FTE positions..... | 5,476,800 |
| County donated funds positions—6.9 FTE positions..... | 517,100 |
| Food stamp reinvestment—78.8 FTE positions | 17,040,400 |
| Wayne County gifts and bequests | 100,000 |
| Volunteer services and reimbursement | 1,294,900 |
| GROSS APPROPRIATION | \$ 384,448,300 |

| | |
|---|----------------|
| Appropriated from: | |
| Federal revenues: | |
| Total federal revenues | 236,279,200 |
| Special revenue funds: | |
| Local funds - donated funds..... | 195,700 |
| Private funds - hospital contributions..... | 2,738,400 |
| Private funds - Wayne County gifts..... | 100,000 |
| State general fund/general purpose | \$ 145,135,000 |

Sec. 108. DISABILITY DETERMINATION SERVICES

| | |
|---|---------------|
| Full-time equated classified positions | 568.4 |
| Disability determination operations—544.9 FTE positions | \$ 73,050,700 |
| Medical consultation program—18.4 FTE positions | 2,756,900 |
| Retirement disability determination—5.1 FTE positions..... | 857,400 |
| GROSS APPROPRIATION | \$ 76,665,000 |

| | For Fiscal Year Ending Sept. 30, 2005 |
|---|---|
| Appropriated from: | |
| Interdepartmental grant revenues: | |
| IDG from DMB-office of retirement systems..... | \$ 1,084,400 |
| ADJUSTED GROSS APPROPRIATION..... | \$ 75,580,600 |
| Appropriated from: | |
| Federal revenues: | |
| Total federal revenues | 72,800,000 |
| State general fund/general purpose | \$ 2,780,600 |
| Sec. 109. CENTRAL SUPPORT ACCOUNTS | |
| Rent | \$ 43,923,800 |
| Occupancy charge | 10,046,200 |
| Travel..... | 5,593,600 |
| Equipment..... | 145,300 |
| Worker's compensation | 5,714,000 |
| Advisory commissions | 17,900 |
| Human resources optimization user charges..... | 561,000 |
| Payroll taxes and fringe benefits | 195,707,500 |
| GROSS APPROPRIATION | \$ 261,709,300 |
| Appropriated from: | |
| Federal revenues: | |
| Total federal revenues | 169,058,800 |
| Special revenue funds: | |
| Local funds - county payback | 304,400 |
| State general fund/general purpose | \$ 92,346,100 |
| Sec. 110. OFFICE OF CHILDREN AND ADULT LICENSING | |
| Full-time equated classified positions | 219.0 |
| AFC, children's welfare and day care licensure—219.0 FTE positions..... | \$ 23,047,800 |
| GROSS APPROPRIATION | \$ 23,047,800 |
| Appropriated from: | |
| Federal revenues: | |
| Total federal revenues | 11,258,600 |
| Special revenue funds: | |
| Restricted - licensing fees..... | 585,400 |
| Restricted - health fees and collections..... | 94,200 |
| State general fund/general purpose | \$ 11,109,600 |
| Sec. 111. PUBLIC ASSISTANCE | |
| Family independence program | \$ 386,642,100 |
| State disability assistance payments..... | 34,748,700 |
| Food assistance program benefits..... | 1,099,429,300 |
| State supplementation | 58,868,400 |
| State supplementation administration..... | 2,493,200 |
| Low-income home energy assistance program | 116,467,700 |
| Food bank funding | 525,000 |
| Homeless shelter contracts..... | 11,646,700 |
| Multicultural assimilation funding | 1,715,500 |
| Indigent burial | 6,155,500 |
| Emergency services local office allocations | 21,865,500 |
| Weatherization assistance..... | 15,940,800 |
| Day care services | 491,672,000 |
| GROSS APPROPRIATION | \$ 2,248,170,400 |
| Appropriated from: | |
| Federal revenues: | |
| Total federal revenues | 1,721,193,300 |
| Special revenue funds: | |
| Child support collections | 47,710,700 |
| Supplemental security income recoveries..... | 5,104,800 |

| | For Fiscal Year Ending Sept. 30, 2005 |
|--|---|
| Public assistance recoupment revenue..... | \$ 2,500,000 |
| State general fund/general purpose | \$ 471,661,600 |
| Sec. 112. INFORMATION TECHNOLOGY | |
| Information technology services and projects | \$ 42,849,900 |
| Child support automation..... | 52,205,700 |
| Client services system..... | 11,512,100 |
| Data system enhancement..... | 15,513,000 |
| GROSS APPROPRIATION | \$ 122,080,700 |
| Appropriated from: | |
| Federal revenues: | |
| Total federal revenues | 77,619,900 |
| Special revenue funds: | |
| Total other state restricted revenue..... | 10,260,000 |
| State general fund/general purpose | \$ 34,200,800 |

PART 2
PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2004-2005 is \$1,179,766,200.00 and state spending from state resources to be paid to local units of government for fiscal year 2004-2005 is \$188,458,500.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

FAMILY INDEPENDENCE AGENCY
CHILD AND FAMILY SERVICES

| | |
|-------------------------------|---------------|
| Adoption subsidies..... | \$ 81,052,800 |
| Child care fund..... | 102,200,000 |
| County juvenile officers..... | 3,266,000 |

PUBLIC ASSISTANCE

| | |
|-------------------------------|----------------|
| State disability program..... | 1,939,700 |
| TOTAL..... | \$ 188,458,500 |

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

Sec. 203. As used in this act:

- (a) "AFC" means adult foster care.
- (b) "Department" means the family independence agency.
- (c) "FTE" means full-time equated.
- (d) "GED" means general educational development.
- (e) "Temporary assistance for needy families" or "TANF" or "title IV-A" means part A of title IV of the social security act, 42 USC 601 to 604, 605 to 608, and 609 to 619.
- (f) "Title IV-D" means part D of title IV of the social security act, 42 USC 651 to 655, and 656 to 669b.
- (g) "Title IV-E" means part E of title IV of the social security act, 42 USC 670 to 673, 673b to 679, and 679b.

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

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

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

Sec. 207. At least 60 days before beginning any effort to privatize services, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The

evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 9 months.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. This shall include transmission of reports via electronic mail, including a link to the Internet site, to the recipients identified for each reporting requirement, or it may include placement of reports on the Internet or Intranet site. On an annual basis, the department shall provide a cumulative listing of the reports to the house and senate appropriations subcommittees and the house and senate fiscal agencies and policy offices.

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

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

Sec. 211. The department may receive and expend advances or reimbursements from the department of state police for the administration of the individual and family grant disaster assistance program. An account shall be established in the department for this purpose when a disaster is declared. The authorization and allotment for the account shall be in the amount advanced or reimbursed from the department of state police.

Sec. 212. In addition to funds appropriated in part 1 for all programs and services, there is appropriated for write-offs of accounts receivable, deferrals, and for prior year obligations in excess of applicable prior year appropriations, an amount equal to total write-offs and prior year obligations, but not to exceed amounts available in prior year revenues or current year revenues that are in excess of the authorized amount.

Sec. 213. (1) The department may retain all of the state's share of food assistance overissuance collections as an offset to general fund/general purpose costs. Retained collections shall be applied against federal funds deductions in all appropriation units where department costs related to the investigation and recoupment of food assistance overissuances are incurred. Retained collections in excess of such costs shall be applied against the federal funds deducted in the executive operations appropriation unit.

(2) The department shall report to the legislature during the senate and house budget hearings on the status of the food stamp error rate. The report shall include at least all of the following:

- (a) An update on federal sanctions and federal requirements for reinvestment due to the food stamp error rate.
- (b) Review of the status of training for employees who administer the food assistance program.
- (c) An outline of the past year's monthly status of worker to food stamp cases and monthly status of worker to food stamp applications.
- (d) Information detailing the effect and change in staffing due to the early retirement option.
- (e) Corrective action through policy, rules, and programming being taken to reduce the food stamp error rate.
- (f) Any other information regarding the food stamp error rate, including information pertaining to technology and computer applications used for the food assistance program.

Sec. 214. (1) The department shall submit a report to the chairpersons of the senate and house appropriations subcommittees on the family independence agency budget, the senate and house fiscal agencies and policy offices, and the state budget director on the details of allocations within program budgeting line items and within the salaries and wages line items in all appropriation units. The report shall include a listing, by account, dollar amount, and fund source, of salaries and wages; longevity and insurance; retirement; contractual services, supplies, and materials; equipment; travel; and grants within each program line item appropriated for the fiscal year ending September 30, 2005.

(2) On a bimonthly basis, the department shall report on the number of FTEs in pay status by type of staff.

Sec. 215. If a legislative objective of this act or the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, cannot be implemented without loss of federal financial participation because implementation would conflict with or violate federal regulations, the department shall notify the state budget director, the house and senate appropriations committees, and the house and senate fiscal agencies and policy offices of that fact. Upon receipt of the notification, a joint house and senate committee made up of the members of the house and senate appropriations subcommittees dealing with appropriations for the family independence agency may be appointed to meet with the director of the department to review the substantive, procedural, and legal ramifications of the legislative objective and to develop a plan to attain that legislative objective.

Sec. 217. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2005 shall be limited to situations in which 1 or more of the following conditions apply:

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.

- (d) The travel is necessary to comply with federal requirements.
- (e) The travel is necessary to secure specialized training for staff that is not available within this state.
- (f) The travel is financed entirely by federal or nonstate funds.

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

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

- (a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.
- (b) The destination of each travel occurrence.
- (c) The dates of each travel occurrence.
- (d) A brief statement of the reason for each travel occurrence.
- (e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.
- (f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 218. (1) The department shall prepare a semiannual report on the TANF federal block grant. The report shall include projected expenditures for the current fiscal year, an accounting of any previous year funds carried forward, and a summary of all interdepartmental or interagency agreements relating to the use of TANF funds. The report shall be forwarded to the state budget director and the house and senate appropriations subcommittees on the family independence agency budget and the house and senate fiscal agencies and policy offices within 10 days after presentation of the executive budget and within 10 days after the May consensus revenue estimating conference.

(2) The state budget director shall give prior written notice to the members of the house and senate appropriations subcommittees for the family independence agency and to the house and senate fiscal agencies and policy offices of any proposed changes in utilization or distribution of TANF funding or the distribution of TANF maintenance of effort spending relative to the amounts reflected in the annual appropriations acts of all state agencies where TANF funding is appropriated.

Sec. 220. (1) In contracting with faith-based organizations for mentoring or supportive services, and in all contracts for services, the department shall ensure that no funds provided directly to institutions or organizations to provide services and administer programs shall be used or expended for any sectarian activity, including sectarian worship, instruction, or proselytization.

(2) If an individual requests the service and has an objection to the religious character of the institution or organization from which the individual receives or would receive services or assistance, the department shall provide the individual within a reasonable time after the date of the objection with assistance or services and which are substantially the same as the service the individual would have received from the organization.

(3) The department shall ensure that faith-based organizations are able to apply and compete for services, programs, or contracts that they are qualified and suitable to fulfill. The department shall not disqualify faith-based organizations solely on the basis of the religious nature of their organization or their guiding principles or statements of faith.

(4) The department shall follow guidelines related to faith-based involvement established in section 104 of title I of the personal responsibility and work opportunity reconciliation act of 1996, 42 USC 604a.

Sec. 221. If the revenue collected by the department from private and local sources exceeds the amount spent from amounts appropriated in part 1, the revenue may be carried forward, with approval from the state budget director, into the subsequent fiscal year.

Sec. 223. The department shall make a determination of Medicaid eligibility not later than 60 days after all information to make the determination is received from the applicant when disability is an eligibility factor. For all other Medicaid applicants, the department shall make a determination of Medicaid eligibility not later than 45 days after all information to make the determination is received from the applicant.

Sec. 227. The department, with the approval of the state budget director, is authorized to realign sources of financing authorizations in order to maximize temporary assistance for needy families' maintenance of effort countable expenditures. This realignment of financing shall not be made until 15 days after notifying the chairs of the house and senate appropriations subcommittees on the family independence agency and house and senate fiscal agencies, and shall not produce an increase or decrease in any line-item expenditure authorization.

Sec. 259. (1) From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology-related services and projects. User fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

(2) During the annual budget presentation, the department shall report on the interagency agreement with the department of information technology to the house and senate appropriations subcommittees for the family independence agency budget, house and senate fiscal agencies, and policy offices. The report shall include the base service priorities in the agreement including, but not limited to, the following:

- (a) Name and description of base service.
- (b) Detail goals and objectives related to each base service.
- (c) Cost of each base service.
- (d) Time frame for implementation or completion of base service.

Sec. 260. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support department projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 261. (1) The department, with the county family independence agency boards of directors and the department of management and budget, shall develop a 5-year plan in every county to restructure local offices. This plan is to be presented to the house and senate appropriations subcommittees for the family independence agency budget by February 1, 2005. Issues to be covered shall include service delivery structure, facility needs, caseload size, and administrative support. Any plan presented shall ensure that the department provides a presence and services in every county. Up to 25% of any savings resulting from this plan may be appropriated to the counties generating the savings to fund additional prevention services.

(2) The department shall meet with the Michigan department of labor and economic growth and its Michigan works! agencies by September 30, 2005 to examine possible colocation of offices and caseworkers. The department shall report to the house and senate appropriations subcommittees for the family independence agency budget, the house and senate fiscal agencies and policy offices, and the state budget director on the results of this meeting no later than October 15, 2005.

Sec. 264. Provided that an employee does not violate federal or state laws, breach confidentiality, violate civil service rules, or represent a formal department position without prior written authorization, the department shall ensure that all department employees, while on their personal time, are permitted to have appropriate communications with legislators and their staff.

Sec. 269. If title IV-D-related child support collections are escheated, the state budget director is authorized to adjust the sources of financing for the funds appropriated in part 1 for legal support contracts to reduce federal authorization by 66% of the escheated amount and increase general fund/general purpose authorization by the same amount. This budget adjustment is required to offset the loss of federal revenue due to the escheated amount being counted as title IV-D program income in accordance with federal regulations at 45 CFR 304.50.

Sec. 270. (1) A report required to be provided to the legislature and the state budget director, no later than January 15, 2005, shall include all of the following information for the programs listed in subsection (2):

- (a) The average cost per recipient served by the program.
- (b) Information on program goals, as well as outcome measures and results used to monitor progress toward these goals.

(2) The programs for which the report in subsection (1) is to be prepared are the following:

- (a) Day care assistance.
- (b) Family independence program.
- (c) Adoption subsidy.
- (d) Foster care.

Sec. 271. (1) The department shall report to the senate and house appropriations subcommittees on the family independence agency, the senate and house standing committees on human services, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director on the progress of child and family services reviews (CFSR). The reviews, conducted in the state by the children's bureau of the United States department of health and human services, are intended to assess the department's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115, with the ultimate goal of improving the state child welfare system and the safety, permanency, and child and family service outcomes to children and families. The report shall be submitted October 1, January 1, April 1, and July 1.

(2) The report required under subsection (1) shall include the findings and progress of all of the following:

- (a) Changes made by the courts with respect to court forms and court rules to meet the statutory requirement.
- (b) Department policy changes within the areas of foster care, juvenile justice, and adoption to meet the statutory requirements.
- (c) Recommendations made by a workgroup composed of department and other agency stakeholders.
- (d) A summary of the 7 systemic factors that determine the state's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115.
- (e) A summary of the 7 data outcome indicators used to determine the state's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115, including the length of time required to achieve family reunification for foster care cases.

- (f) Federal recommendations made to the state, including recommendations to the courts.
- (g) Federal penalties assessed against the state for noncompliance.
- (h) Status of the performance improvement plan submitted to the federal government.

Sec. 272. (1) The department shall report to the senate and house appropriations subcommittees on the family independence agency, the senate and house standing committees on human services, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director on the result of the title IV-E foster care eligibility reviews. The reviews, conducted in the state by the United States department of health and human services, are intended to assess the department's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115, ensuring the department's case files and payments records meet federal regulations, including standards on eligibility for placement reimbursement and the allowable payment rate. The report shall be submitted October 1, January 1, April 1, and July 1.

(2) The report required under subsection (1) shall include the findings and progress of all of the following:

- (a) Training programs conducted by the department and the Michigan judicial institute.
- (b) Changes made by the courts on court forms and rules used in meeting the statutory requirements.
- (c) Department policy changes that impact meeting the statutory requirements for foster care and adoption, including juvenile justice programs.
- (d) Recommendations made by a department workgroup composed of representatives from the department and other departments and agencies.
- (e) Federal recommendations submitted to the state, including recommendations to the courts.
- (f) Federal penalties assessed against the state.

Sec. 273. (1) The department shall report no later than October 1, 2004 on each specific policy change made to implement enacted legislation to the senate and house appropriations subcommittees on the family independence agency budget, the senate and house standing committees on human services, and the senate and house fiscal agencies and policy offices.

(2) On an annual basis, the department shall provide a cumulative list of all policy changes in the following areas: child welfare services, child support, work first, work requirements, adult and child safety, local staff program responsibilities, and day care. The list shall be distributed to the senate and house appropriations subcommittees on the family independence agency budget, the senate and house standing committees dealing with human services, and the senate and house fiscal agencies and policy offices.

(3) Not later than July 1, 2005, the department shall report to the senate and house appropriations subcommittees on the family independence agency budget, the senate and house fiscal agencies, and the senate and house policy offices the annual regulatory plan submitted to the office of regulatory reform pursuant to section 53 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.253.

Sec. 274. The department shall report to the house and senate appropriations subcommittees on the family independence agency budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director as part of the annual budget presentation on each federal grant this state was eligible to apply for, listing both grants applied for and not applied for. This report will cover grants exceeding \$100,000.00, related to fatherhood and marriage initiatives, teen pregnancy prevention, kinship care, before- and after-school programs, family preservation and prevention, homeless prevention, and youth in transition.

Sec. 276. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow all federal guidelines and state laws regarding short-term and long-term retention of records.

Sec. 277. Not more than 30 days after receiving a published report from the office of auditor general that states that the department has not complied with state or federal law, rule, or regulation, the department shall provide a report to the house and senate committees having jurisdiction over the family independence agency. The report shall state the reason for the noncompliance, a corrective action plan to bring the department into compliance, and the time frame for implementing and executing the plan.

Sec. 278. (1) The department shall contract with a private consulting firm or firms to evaluate the following:

- (a) Maximization of federal funds.
- (b) Child day care program efficiency.
- (c) Local and central office management efficiency savings.
- (d) Fraud collection.

(2) A contractor shall not charge the department a fee for services provided under subsection (1). However, a contractor shall receive a negotiated percentage of the savings achieved from recommendation implementation.

(3) As part of the annual budget presentation, the department shall report to the house and senate appropriations subcommittees for the family independence agency budget, the house and senate fiscal agencies and policy offices, and the state budget director on the recommendations and plans for implementation.

(4) The department shall implement a corrective action plan to address procedural and internal control weaknesses identified by the office of the auditor general in the single audit of the department dated July 2004.

(5) The department shall provide a copy of the detailed corrective action plan referred to in subsection (4) to the house and senate appropriations subcommittees on the family independence agency budget, house and senate standing committees on human services matters, house and senate fiscal agencies and policy offices, and state budget director by December 31, 2004. By April 1, 2005, the department shall provide a progress report including the specific corrective action plan changes implemented to that date and the timetable for implementation of the remaining corrective action plan changes.

EXECUTIVE OPERATIONS

Sec. 303. (1) From the funds appropriated in part 1 for inspector general salaries and wages and payroll taxes and fringe benefits, the department shall expend up to \$136,700.00 to add 2 FTEs as inspector general agents dedicated to fraud detection in day care services.

(2) The department may also contract with a private organization for fraud detection services and recovery of funds. The contracted organization shall not charge the department a fee for services, but shall receive a negotiated percentage of the savings achieved or funds that are recovered.

Sec. 304. From funds appropriated in part 1 for demonstration projects, the department shall expend up to \$78,500.00 in TANF to fund a school-based crisis intervention demonstration project in Pontiac.

FAMILY INDEPENDENCE SERVICES ADMINISTRATION

Sec. 403. Not later than September 30 of each year, the department shall submit for public hearing to the chairpersons of the house and senate appropriations subcommittees dealing with appropriations for the family independence agency the proposed use and distribution plan for community services block grant funds appropriated in part 1 for the succeeding fiscal year.

Sec. 404. The department shall develop a plan based on recommendations from the department of civil rights and from Native American organizations to assure that the community services block grant funds are equitably distributed. The plan must be developed by October 31, 2004, and the plan shall be delivered to the appropriations subcommittees on the family independence agency in the house and senate, the senate and house fiscal agencies, and the state budget director.

Sec. 414. (1) Of the funds appropriated in part 1 for community services block grants, \$2,350,000.00 represents TANF funding earmarked for community action agencies.

(2) From the funds appropriated in part 1 for community services block grants, the department is authorized to make allocations of TANF funds only to the community action agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

(3) In addition to the money referred to in subsection (1), from the funds appropriated in part 1 for community services block grant, the department may award up to \$500,000.00 to organizations based on the number of clients educated, with an emphasis on clients who have never filed for the earned income tax credit (EITC), clients with children, and clients for whom the receipt of the EITC will make it easier for them to move off public assistance.

Sec. 415. (1) From the funds appropriated in part 1 for employment and training support services, the department shall expend \$200,000.00 in TANF to fund a fatherhood initiative program. The department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations. The independent contractors shall provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations. An independent contractor that cannot secure matching funds shall not be excluded from consideration for the fatherhood program.

(2) The department may choose providers that will work with counties to help eligible fathers under TANF guidelines to acquire skills that will enable them to increase their responsible behavior toward their children and the mothers of their children. An increase of financial support for their children should be a very high priority as well as emotional support.

(3) A fatherhood initiative program established under this section shall minimally include at least 3 of the following components: promoting responsible, caring, and effective parenting through counseling; mentoring and parental education; enhancing the abilities and commitment of unemployed or low-income fathers to provide material support for their families and to avoid or leave welfare programs by assisting them to take advantage of job search programs, job training, and education to improve their work habits and work skills; improving fathers' ability to effectively manage family business affairs by means such as education, counseling, and mentoring in household matters; infant care; effective communication and respect; anger management; children's financial support; and drug-free lifestyle.

(4) The department is authorized to make allocations of TANF funds, of not more than 20% per county, under this section only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

(5) Upon receipt of the promotion of responsible fatherhood funds from the United States department of health and human services, the agency shall use the program criteria set forth in subsection (3) to implement the program with the federal funds.

Sec. 416. (1) From the funds appropriated in part 1 for employment and training support services, the department may expend up to \$250,000.00 in TANF to fund a marriage initiative program. The department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations. The independent contractors shall provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations. An independent contractor that cannot secure matching funds shall not be excluded from consideration for a marriage initiative program.

(2) The department may choose providers to work with counties that will work to support and strengthen marriages of those eligible under the TANF guidelines. The areas of work may include, but are not limited to, marital counseling, domestic violence counseling, family counseling, effective communication, and anger management as well as parenting skills to improve the family structure.

(3) A marriage initiative program established under this section may include, but is not limited to, 1 or more of the following: public advertising campaigns on the value of marriage and the skills needed to increase marital stability and health; education in high schools on the value of marriage, relationship skills, and budgeting; premarital, marital, family, and domestic violence counseling; effective communication; marriage mentoring programs which use married couples as role models and mentors in at-risk communities; anger management; and parenting skills to improve the family structure.

(4) The department is authorized to make allocations of TANF funds, of not more than 20% per county, under this section only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

(5) Upon receipt of the healthy marriage promotion grant from the United States department of health and human services, the agency shall use the program criteria set forth in subsection (3) to implement the program with the federal funds.

Sec. 417. The department shall report to the senate and house appropriations subcommittees for the family independence agency budget, the senate and house standing committees on human services matters, the senate and house fiscal agencies and policy offices, and the state budget office on the implementation of the bureau of community action and economic opportunity and the commission on community action and social opportunity. The report is due November 15, 2004 and shall include all of the following:

(a) Number of full-time equated employees funded.

(b) Administrative duties performed.

(c) The relationship between duties and the bureau of community action and economic opportunity and the commission on community action and social opportunity.

Sec. 418. From the funds appropriated in part 1 for employment and training support services, the department may expand the availability of individual development accounts (IDAs) with \$200,000.00 for allocation to qualified IDA programs established through the Michigan IDA partnership to serve TANF eligible households in Michigan. The Michigan IDA partnership shall encourage each TANF eligible household served to claim the federal earned income tax credit (EITC) and to incorporate all or part of any tax credit received in the household's IDA savings plan, and shall provide the household with information concerning available free tax assistance resources. In addition, the Michigan IDA partnership and its program sites shall participate in community EITC coalitions established under the plan to increase the EITC participation of TANF families referenced in section 666. It is the intent of the legislature that the same amount be appropriated annually to further expand IDA opportunities to low-income families to become more financially self-sufficient through financial education, saving, wise investment in home ownership, postsecondary education, small business development, or a combination of those programs.

Sec. 419. The department in collaboration with the Michigan state university center for urban affairs and its partner organizations, the Michigan credit union league and the national federation of community development credit unions, shall further the work begun in fiscal year 1999-2000 that implemented the individual development accounts programs in the growing number of low-income designated credit unions, i.e., community development credit unions (CDCUs) located in this state's poorest communities. This further work will extend capacity-building and technical assistance services to existing and emerging CDCUs serving low-income populations and will include:

(a) Creation of a Michigan-based support system for the capacity-building of existing and emerging CDCUs serving low-income individuals and families, including development and testing of training, technical assistance, and professional development initiatives and related materials, and other capacity-building services to Michigan CDCUs.

(b) Other related support to assist existing and emerging CDCUs in becoming self-supporting institutions to assist impoverished Michigan residents in becoming economically independent.

(c) Training and technical assistance to CDCUs in the development of support services, such as economic literacy, credit counseling, budget counseling, and asset management programs for low-income individuals and families.

Sec. 420. From the funds appropriated in part 1 for employment and training support services, the department may allocate \$40,000.00 in TANF for welfare to career innovation grants to replicate the Kent County model with Cascade engineering in 4 other counties.

Sec. 421. The department shall allow private nationally accredited foster care and adoption agencies to conduct their own staff training, based on current department policies and procedures. The department shall provide any training materials requested by the private agencies to facilitate this training. The intent of the legislature is to reduce training and travel costs for both the department and the private agencies.

Sec. 423. (1) From the money appropriated in section 103 for food for the elderly, the department shall allocate money to assist the state's elderly population to participate in the state food assistance program. The money may be used as state matching funds to acquire available United States department of agriculture funding to provide outreach program activities, such as eligibility screening and information services, as part of a statewide food stamp helpline.

(2) From the money appropriated in section 107 for food stamp reinvestment, the department shall make available \$20,000.00 to contract with the center for civil justice to support a food stamp error reduction project. The funding is conditional upon the United States department of agriculture approval of an amendment to the food stamp reinvestment plan of this state for the use of these funds for screening activities covered under the project contract.

CHILD AND FAMILY SERVICES

Sec. 501. (1) The following goal is established by state law. During the fiscal year ending September 30, 2005, not more than 3,000 children supervised by the department shall remain in foster care longer than 24 months. The department shall give priority to reducing the number of children under 1 year of age in foster care. By January 15, 2005, the department shall report to the house and senate appropriations subcommittees for the family independence agency budget, the house and senate fiscal agencies and policy offices, and the state budget director on the number of children supervised by the department and by private agencies who remain in foster care between 12 and 24 months, and those who remain in foster care longer than 24 months.

(2) By October 1, 2004, the department shall discontinue the Michigan children's institute (MCI) preliminary consent denial review process implemented in August 2003. The department shall report to the house and senate appropriations subcommittees for the family independence agency budget, the house and senate fiscal agencies and policy offices, and the state budget director on MCI standards for timely review and consent for adoption cases by January 15, 2005.

Sec. 502. From the funds appropriated in part 1 for foster care, the department shall provide 50% reimbursement to Indian tribal governments for foster care expenditures for children who are under the jurisdiction of Indian tribal courts and who are not otherwise eligible for federal foster care cost sharing.

Sec. 503. The department shall continue adoption subsidy payments to families after the eighteenth birthday of an adoptee who meets the following criteria:

- (a) Has not yet graduated from high school or passed a high school equivalency examination.
- (b) Is making progress toward completing high school.
- (c) Has not yet reached his or her nineteenth birthday.
- (d) Is not eligible for federal supplemental security income (SSI) payments.

Sec. 504. The department's ability to satisfy appropriation deducts in part 1 for foster care private collections shall not be limited to collections and accruals pertaining to services provided only in the current fiscal year but shall include revenues collected during the fiscal year in excess of the amount specified in part 1.

Sec. 508. (1) In addition to the amount appropriated in part 1 for children's trust fund grants, money granted or money received as gifts or donations to the children's trust fund created by 1982 PA 249, MCL 21.171 to 21.172, is appropriated for expenditure in an amount not to exceed \$800,000.00.

(2) The state child abuse and neglect prevention board may initiate a joint project with another state agency to the extent that the project supports the programmatic goals of both the state child abuse and neglect prevention board and the state agency. The department may invoice the state agency for shared costs of a joint project in an amount authorized by the state agency, and the state child abuse and neglect prevention board may receive and expend funds for shared costs of a joint project in addition to those authorized by part 1.

(3) From the funds appropriated in part 1 for children's trust fund, the department may utilize interest and investment revenue from the current fiscal year only for programs, administration, services, or all sanctioned by the child abuse and neglect prevention board.

Sec. 509. (1) From the funds appropriated in part 1, the department shall not expend funds to preserve or reunite a family, unless there is a court order requiring the preservation or reuniting of the family or the court denies the petition, if either of the following would result:

- (a) A child would be living in the same household with a parent or other adult who has been convicted of criminal sexual conduct against a child.
- (b) A child would be living in the same household with a parent or other adult against whom there is a substantiated charge of sexual abuse against a child.

(2) Notwithstanding subsection (1), this section shall not prohibit counseling or other services provided by the department, if the service is not directed toward influencing the child to remain in an abusive environment, justifying the actions of the abuser, or reuniting the family.

Sec. 510. The department shall not be required to put up for bids contracts with service providers if currently only 1 provider in the service area exists.

Sec. 513. The department shall not expend funds appropriated in part 1 to pay for the placement of a child in an out-of-state facility unless all of the following conditions are met:

- (a) There is no appropriate placement available in this state.
- (b) The out-of-state facility meets all of the licensing standards of this state for a comparable facility.
- (c) The out-of-state facility meets all of the applicable licensing standards of the state in which it is located.
- (d) The department has done an on-site visit to the out-of-state facility, reviewed the facility records, and reviewed licensing records and reports on the facility and believes that the facility is an appropriate placement for the child.

Sec. 514. The department shall make a comprehensive report concerning children's protective services (CPS) to the legislature, including the senate and house policy offices, by January 1, 2005, that shall include all of the following:

- (a) Statistical information including, at a minimum, all of the following:
 - (i) The total number of reports of abuse or neglect investigated under the child protection law, 1975 PA 238, MCL 722.621 to 722.638, and the number of cases classified under category I or category II and the number of cases classified under category III, category IV, or category V.
 - (ii) Characteristics of perpetrators of abuse or neglect and the child victims, such as age, relationship, socioeconomic status, race, and ethnicity.
 - (iii) The mandatory reporter category in which the individual who made the report fits, or other categorization if the individual is not within a group required to report under the child protection law, 1975 PA 238, MCL 722.621 to 722.638.

(b) New policies related to children's protective services including, but not limited to, major policy changes and court decisions affecting the children's protective services system during the immediately preceding 12-month period.

- (c) The number of cases in category III closed during the time period covered by the report categorized as follows:
 - (i) Transfer to foster care.
 - (ii) Risk of further child abuse or neglect has been reduced to an acceptable level.
 - (iii) The perpetrator no longer has access to the child victim.
 - (iv) Unsatisfactory family response - referral to court not feasible.
 - (v) Child protective services not needed - family is receiving services from another program.
 - (vi) Client unavailable for services, location of client unknown.
 - (vii) Other.

Sec. 515. From the funds appropriated in part 1 for foster care payments and Wayne County foster care payments and related administrative costs, the department shall implement a performance based managed care approach to contracting for foster care services with private, nonprofit agencies. The goal of these contracts shall be to provide incentives for agencies to improve the process of placing children in permanent placements and reducing the time children spend in foster care. The department shall report to the senate and house appropriations subcommittees on the family independence agency budget, the senate and house fiscal agencies and policy offices, and the state budget office on this foster care permanency program and make recommendations for program expansion to all the counties of this state no later than August 30, 2005.

Sec. 517. (1) From the funds appropriated in part 1, the department is authorized to allocate funds to multipurpose collaborative bodies to address issues raised in the Binsfeld children's commission report issued in July 1996. Priority for activities and services will be given to at-risk children and families and cases classified by the department as category III or category IV under sections 8 and 8d of the child protection law, 1975 PA 238, MCL 722.628 and 722.628d.

(2) Funds appropriated in part 1 for zero to three may be used to fund community-based collaborative prevention services designed to do any of the following:

- (a) Foster positive parenting skills especially for parents of children under 3 years of age.
 - (b) Improve parent/child interaction.
 - (c) Promote access to needed community services.
 - (d) Increase local capacity to serve families at risk.
 - (e) Improve school readiness.
 - (f) Support healthy family environments that discourage alcohol, tobacco, and other drug use.
- (3) The appropriation provided for in subsection (2) is to fund secondary prevention programs as defined in the children's trust fund's preapplication materials for fiscal year 2004-2005 direct services grants.

(4) Projects funded through the appropriation provided for in subsection (2) shall meet all of the following criteria:

- (a) Be awarded through a joint request for proposal process established by the department in conjunction with the children's trust fund and the state human services directors.
- (b) Be secondary prevention initiatives. Funds are not intended to be expended in cases in which neglect or abuse has been substantiated.
- (c) Demonstrate that the planned services are part of a community's integrated comprehensive family support strategy endorsed by the local multipurpose collaborative body.
- (d) Provide a 25% local match of which not more than 10% is in-kind goods or services unless the maximum percentage is waived by the state human services directors.

(5) As used in this section, "state human services directors" means the director of the department of community health, the director of the department of education, and the director of the family independence agency.

Sec. 523. (1) From the funds appropriated in part 1 for youth in transition, domestic violence prevention and treatment, and teenage parent counseling, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

(2) The agencies receiving teenage parent counseling TANF funds shall report to the family independence agency on both of the following:

(a) Whether program services have impacted the following issue areas:

(i) The number of teen participants having fewer repeat pregnancies.

(ii) The completion rate for high school diplomas or GEDs.

(iii) The teen participants' rate of self-sufficiency.

(iv) The number of father participants.

(b) How many teens participate in the programs and have access to any or all of the following services:

(i) Adult supervised, supportive living arrangements.

(ii) Pregnancy prevention services or referrals.

(iii) Required completion of high school or receipt of GED, including child care to assist young mothers to focus on achievement.

(iv) Support services, including, but not limited to, health care, transportation, and counseling.

(v) Parenting and life-skills training.

(vi) Education, job training, and employment services.

(vii) Transition services in order to achieve self-sufficiency.

(viii) Instruction on self-protection.

(3) Agencies receiving teenage parent counseling funds shall provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations.

Sec. 524. The department shall submit a report on prevention programs for which funds are appropriated in part 1 to the senate and house appropriations subcommittees on the family independence agency, the senate and house standing committees having jurisdiction over human services matters, the senate and house fiscal agencies, and the senate and house policy offices no later than March 15, 2005 that includes all of the following information:

(a) The average cost per recipient served by the program.

(b) Information on program goals and outcome measures and results used to monitor progress toward these goals.

Sec. 531. (1) From the funds appropriated in part 1, the department may make claims for and pay to local units of government a portion of federal title IV-E revenues earned as a result of eligible costs incurred by local units of government.

(2) The department shall make payments under subsection (1) only to local units of government that have entered into formal agreements with the department. The agreement must include all of the following:

(a) Provide for the department to retain 50% of the federal revenues earned.

(b) Provide for agency review and approval of the local unit's plan for allocating costs to title IV-E.

(c) Provide for the local unit of government to submit bills at times, and in the format, specified by the department.

(d) Specify that the local unit of government is responsible for meeting all federal title IV-E regulation requirements, including reporting requirements, with regard to the activities and costs being billed to title IV-E.

(e) Provide for the local unit of government to pay the state for the amount of any federal revenues paid to the local unit that may subsequently be disallowed by the federal government.

(f) Be signed by the director of the department, the chief executive officer of the local government agency providing the title IV-E services, the chair of the county board of commissioners, and the chief executive officer of the county.

Sec. 532. (1) The department, in collaboration with representatives of private child and family agencies, shall continue to review policies, practices, and procedures involving the annual licensing review and the annual contract compliance review conducted by the department regarding child placing agencies and child caring institutions. The review shall include efforts to identify duplication of staff activities and information sought from child placing agencies and child caring institutions in the annual review process.

(2) The department shall develop a streamlined licensing contract compliance review process where possible, including potential for utilizing deeming status for nationally accredited agencies. The department shall report to the house and senate appropriations subcommittees on the family independence agency budget, the house and senate fiscal agencies and policy offices, and the state budget director on or before January 15, 2005 on the implementation of the licensing and contract compliance review process.

Sec. 533. (1) The family independence agency shall make payments to private nonprofit child placing facilities for title IV-E out-of-home care services within 30 days of receiving all necessary documentation from those agencies.

(2) The department shall explore various types of automated payments to private nonprofit child placing facilities to improve speed and accuracy of payments.

Sec. 536. The family independence agency shall not implement a geographically based assignment system for foster care unless determined to be in the best interests of the foster children.

Sec. 537. (1) The department shall offer private nonprofit licensed agencies the first opportunity to provide foster care services for new foster children entering the system in a county when the department's direct care caseload for foster care is greater than 20 cases per foster care worker. This section only applies if the private nonprofit licensed agency has an available placement at the time the child needs to be placed, the placement is not contrary to the best interests of the child or the child's siblings, and the private nonprofit licensed agency has a direct care caseload for foster care that is no greater than 20 cases per foster care caseworker.

(2) The department, in conjunction with private child placing agencies, shall develop a methodology for measuring goals, objectives, and performance standards for the delivery of foster care and adoption services. These goals, objectives, and performance standards shall apply to both public and private delivery of child welfare services, and data shall be collected from both private and public child welfare programs that can be used to evaluate performance achievements, including, but not limited to, the following:

- (a) Average caseload per foster care worker.
- (b) Average cost per case to the department and any other governmental agency.
- (c) Range of services provided.
- (d) Program outcomes, including the average length of stay in residential treatment and foster care.

(3) The department shall submit a quarterly report to the legislature, beginning December 31, 2004, outlining the progress of the development of the goals, objectives, and performance standards, as well as the information collected through the implementation of the measurement program.

Sec. 539. The department shall work in collaboration with representatives from private nonprofit child placing agencies to ensure appropriate placement for children who have been adjudicated abused, neglected, or delinquent and for whom residential treatment is required. The department and the representatives from the private nonprofit child placing agencies shall focus on statewide placement criteria to address the best interest of the child in need of services.

Sec. 540. Counties shall be subject to 50% charge-back for the use of alternative regional detention services, if those detention services do not fall under the basic provision of section 117e of the social welfare act, 1939 PA 280, MCL 400.117e, or if a county operates those detention services programs primarily with professional rather than volunteer staff.

Sec. 541. In order to be reimbursed for child care fund expenditures, counties are required to submit department-developed reports to enable the department to document potential federally claimable expenditures. This requirement is in accordance with the reporting requirements specified in section 117a(7) of the social welfare act, 1939 PA 280, MCL 400.117a.

Sec. 542. As a condition of receiving funds appropriated in part 1 for the child care fund, by February 15, 2005, counties shall have an approved service spending plan for the fiscal year ending September 30, 2005. Counties must submit the service spending plan to the department by December 15, 2004 for approval.

Sec. 543. The department shall develop a comprehensive plan to provide education and training to reduce the incidences of criminal sexual conduct involving underage youth. The plan shall be designed to reach state and local law enforcement officials, schools and education agencies, health care, counseling, and pregnancy prevention services, and any other agency the department considers relevant. The department shall issue a report, by November 1, 2004, to the house and senate appropriations subcommittees on the family independence agency budget, the house and senate fiscal agencies and policy offices, and the state budget director that shall contain at least all of the following:

- (a) The names of the task force members or committee members, and their representative organizations, who helped develop the plan.
- (b) The recommendations the department is making to each of the following:
 - (i) State and local law enforcement agencies.
 - (ii) Schools and education agencies.
 - (iii) Health care professionals.
 - (iv) Counseling agencies.
 - (v) Pregnancy prevention programs.
- (c) The annual goals for reporting and reducing incidences of criminal sexual conduct involving underage youth.
- (d) A summary of past plans and their outcomes submitted in compliance with federal guidelines.

Sec. 544. The department shall consider approval of pilot projects with applications pending for accelerated residential treatment.

Sec. 545. (1) From the funds appropriated in part 1 for foster care payments, Wayne County foster care payments, adoption subsidies, and adoption support services, \$7,390,700.00 shall be used to provide a 3.0% rate increase to child placing agencies and residential facilities beginning October 1, 2004, and a 1.0% rate increase to foster care parents and parents receiving adoption subsidies beginning October 1, 2004.

(2) By April 1, 2005, the department shall develop and implement, in conjunction with representatives from private child placing agencies, a new specialized foster care system. Prior to implementation, the department shall provide a

report describing the new system to the house and senate appropriations subcommittees for the family independence agency budget, the house and senate fiscal agencies and policy offices, and the state budget director. From the funds appropriated in part 1 for foster care payments and Wayne County foster care payments, up to \$1,000,000.00 may be used to implement the new specialized foster care system.

(3) As part of a new system, the department shall provide for approval of new specialized foster care programs.

Sec. 546. From the funds appropriated in part 1 for domestic violence prevention and treatment, the department shall allocate \$75,000.00 in TANF funds to Barry County for services that comply with all domestic violence board standards and reporting requirements.

Sec. 547. The department shall develop and implement a plan to review each court order placing a child into foster care within 60 days to verify federal compliance and shall report on the results by October 1, 2004 to the senate and house appropriations subcommittees for the family independence agency budget, the senate and house fiscal agencies and policy offices, and the state budget director.

Sec. 548. (1) The director of the department shall convene a task force to study the disproportionate representation of African-American and other children of color in the child welfare and juvenile justice systems of this state. The department shall collaborate with private sector entities to develop a methodology for the task force to follow in conducting the study and to seek public or private funding for the task force. At a minimum, the task force shall examine the level of involvement of African-American and other children of color at each stage in the systems, including the points of entry and each point at which a treatment decision is made and the outcomes for children exiting the systems.

(2) The task force convened under subsection (1) shall consist of experts in social work, law, child welfare, psychology, or related fields, and shall be appointed as follows:

(a) Two members appointed by the senate majority leader.

(b) Two members appointed by the speaker of the house.

(c) Three members appointed by the governor, including a representative of the department.

(3) The task force created under subsection (1) shall report to the department on the results of the study required by subsection (1) and make administrative and legislative recommendations for appropriate program services to reduce existing disparities and bias in the systems and improve the long-term outcomes for children of color who are served by the systems.

(4) By December 31, 2005, the department shall report the results of the study received under subsection (3) to the senate and house of representatives appropriations subcommittees on the family independence agency, the senate and house of representatives standing committees with jurisdiction over families and human services issues, the senate and house fiscal agencies and policy offices, and the state budget office.

PUBLIC ASSISTANCE

Sec. 601. (1) The department may terminate a vendor payment for shelter upon written notice from the appropriate local unit of government that a recipient's rental unit is not in compliance with applicable local housing codes or when the landlord is delinquent on property tax payments. A landlord shall be considered to be in compliance with local housing codes when the department receives from the landlord a signed statement stating that the rental unit is in compliance with local housing codes and that statement is not contradicted by the recipient and the local housing authority. The department shall terminate vendor payments if a taxing authority notifies the department that taxes are delinquent.

(2) Whenever a client agrees to the release of his or her name and address to the local housing authority, the department shall request from the local housing authority information regarding whether the housing unit for which vendoring has been requested meets applicable local housing codes. Vendoring shall be terminated for those units that the local authority indicates in writing do not meet local housing codes until such time as the local authority indicates in writing that local housing codes have been met.

(3) In order to participate in the rent vendoring programs of the department, a landlord shall cooperate in weatherization and conservation efforts directed by the department or by an energy provider participating in an agreement with the department when the landlord's property has been identified as needing services.

Sec. 603. (1) The department, as it determines is appropriate, shall enter into agreements with energy providers by which cash assistance recipients and the energy providers agree to permit the department to make direct payments to the energy providers on behalf of the recipient. The payments may include heat and electric payment requirements from recipient grants and amounts in excess of the payment requirements.

(2) The department shall establish caps for natural gas, wood, electric heat service, deliverable fuel heat services, and for electric service based on available federal funds.

(3) It is the intent of the legislature that the department review and adjust the standard utility allowance for the state food assistance program to ensure that it reflects current energy costs in the state.

Sec. 604. (1) The department shall operate a state disability assistance program. Except as provided in subsection (3), persons eligible for this program shall include needy citizens of the United States or aliens exempted from the supplemental security income citizenship requirement who are at least 18 years of age or emancipated minors meeting 1 or more of the following requirements:

(a) A recipient of supplemental security income, social security, or medical assistance due to disability or 65 years of age or older.

(b) A person with a physical or mental impairment which meets federal supplemental security income disability standards, except that the minimum duration of the disability shall be 90 days. Substance abuse alone is not defined as a basis for eligibility.

(c) A resident of an adult foster care facility, a home for the aged, a county infirmary, or a substance abuse treatment center.

(d) A person receiving 30-day postresidential substance abuse treatment.

(e) A person diagnosed as having acquired immunodeficiency syndrome.

(f) A person receiving special education services through the local intermediate school district.

(g) A caretaker of a disabled person as defined in subdivision (a), (b), (e), or (f) above.

(2) Applicants for and recipients of the state disability assistance program shall be considered needy if they:

(a) Meet the same asset test as is applied to applicants for the family independence program.

(b) Have a monthly budgetable income that is less than the payment standards.

(3) Except for a person described in subsection (1)(c) or (d), a person is not disabled for purposes of this section if his or her drug addiction or alcoholism is a contributing factor material to the determination of disability. "Material to the determination of disability" means that, if the person stopped using drugs or alcohol, his or her remaining physical or mental limitations would not be disabling. If his or her remaining physical or mental limitations would be disabling, then the drug addiction or alcoholism is not material to the determination of disability and the person may receive state disability assistance. Such a person must actively participate in a substance abuse treatment program, and the assistance must be paid to a third party or through vendor payments. For purposes of this section, substance abuse treatment includes receipt of inpatient or outpatient services or participation in alcoholics anonymous or a similar program.

(4) A refugee or asylee who loses his or her eligibility for the federal supplemental security income program by virtue of exceeding the maximum time limit for eligibility as delineated in section 402 of title IV of the personal responsibility and work opportunity reconciliation act of 1996, 8 USC 1612, and who otherwise meets the eligibility criteria under this section shall be eligible to receive benefits under the state disability assistance program.

Sec. 605. The level of reimbursement provided to state disability assistance recipients in licensed adult foster care facilities shall be the same as the prevailing supplemental security income rate under the personal care category.

Sec. 606. County family independence agencies shall require each recipient of state disability assistance who has applied with the social security administration for supplemental security income to sign a contract to repay any assistance rendered through the state disability assistance program upon receipt of retroactive supplemental security income benefits.

Sec. 607. The department's ability to satisfy appropriation deductions in part 1 for state disability assistance/supplemental security income recoveries and public assistance recoupment revenues shall not be limited to recoveries and accruals pertaining to state disability assistance, or family independence assistance grant payments provided only in the current fiscal year, but shall include all related net recoveries received during the current fiscal year.

Sec. 608. Adult foster care facilities providing domiciliary care or personal care to residents receiving supplemental security income or homes for the aged serving residents receiving supplemental security income shall not require those residents to reimburse the home or facility for care at rates in excess of those legislatively authorized. To the extent permitted by federal law, adult foster care facilities and homes for the aged serving residents receiving supplemental security income shall not be prohibited from accepting third-party payments in addition to supplemental security income provided that the payments are not for food, clothing, shelter, or result in a reduction in the recipient's supplemental security income payment.

Sec. 609. The state supplementation level under the supplemental security income program for the personal care/adult foster care and home for the aged categories shall not be reduced during the fiscal year beginning October 1, 2004 and ending September 30, 2005.

Sec. 610. In developing good cause criteria for the state emergency relief program, the department shall grant exemptions if the emergency resulted from unexpected expenses related to maintaining or securing employment.

Sec. 611. (1) The department shall not require providers of burial services to accept state payment for indigent burials as payments in full. Each provider shall be permitted to collect additional payment from relatives or other persons on behalf of the deceased. The total in additional payments shall not exceed \$2,600.00.

(2) Any additional payment collected pursuant to subsection (1) shall not increase the maximum charge limit for state payment as established by law.

Sec. 612. For purposes of determining housing affordability eligibility for state emergency relief, a group is considered to have sufficient income to meet ongoing housing expenses if their total housing obligation does not exceed 75% of their total net income.

Sec. 613. From the funds appropriated in part 1 for state emergency relief, the maximum allowable charge limit for indigent burials shall be \$947.00. The funds shall be distributed as follows: \$603.00 for funeral directors; \$200.00 for cemeteries or crematoriums; and \$144.00 for the provider of the vault.

Sec. 614. The funds available in part 1 for burial services shall be available if the deceased was an eligible recipient and an application for emergency relief funds was made within 10 days of the burial or cremation of the deceased person. Each provider of burial services shall be paid directly by the department.

Sec. 615. Except as required by federal law or regulations, funds appropriated in part 1 shall not be used to provide public assistance to a person who is an illegal alien. This section shall not prohibit the department from entering into contracts with food banks or emergency shelter providers who may, as a normal part of doing business, provide food or emergency shelter to individuals.

Sec. 616. The appropriation in part 1 for the weatherization program shall be expended in such a manner that at least 25% of the households weatherized under the program shall be households of families receiving 1 or more of the following:

- (a) Family independence assistance.
- (b) State disability assistance.
- (c) Food assistance.
- (d) Supplemental security income.

Sec. 617. In operating the family independence program with funds appropriated in part 1, the department shall not approve as a minor parent's adult supervised household a living arrangement in which the minor parent lives with his or her partner as the supervising adult.

Sec. 618. The department may only reduce, terminate, or suspend assistance provided under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, without prior notice in 1 or more of the following situations:

- (a) The only eligible recipient has died.
- (b) A recipient member of a program group or family independence assistance group has died.
- (c) A recipient child is removed from his or her family home by court action.
- (d) A recipient requests in writing that his or her assistance be reduced, terminated, or suspended.
- (e) A recipient has been approved to receive assistance in another state.
- (f) A change in either state or federal law that requires automatic grant adjustments for classes of recipients.

Sec. 619. The department shall exempt from the denial of title IV-A assistance and food assistance benefits, contained in section 115 of title I of the personal responsibility and work opportunity reconciliation act of 1996, 21 USC 862a, any individual who has been convicted of a felony that included the possession, use, or distribution of a controlled substance, after August 22, 1996, provided that the individual is not in violation of his or her probation or parole requirements. Benefits shall be provided to such individuals as follows:

- (a) A third-party payee or vendor shall be required for any cash benefits provided.
- (b) An authorized representative shall be required for food assistance receipt.

Sec. 621. Funds appropriated in part 1 may be used to support multicultural assimilation and support services. The department shall distribute all of the funds described in this section based on assessed community needs.

Sec. 627. (1) From the funds appropriated in part 1 for day care services, the department may contract to administer an amount not to exceed \$1,350,000.00 for the "enhance quality improvement program" (EQUIP) grants. A priority for the expenditure of EQUIP funds shall be given to providers to expand access to child care, specifically 24-hour care and weekend care. A child care program shall not be eligible for an EQUIP grant unless 25% or more of its clients receive day care payments from the department.

(2) From the funds appropriated in part 1 for day care services, the department may establish an additional fund of at least \$350,000.00 for a grant pool for an "enhance quality improvement program" (EQUIP) specifically to establish new family and group home day care providers.

Sec. 631. The department shall maintain policies and procedures to achieve all of the following:

(a) The identification of individuals on entry into the system who have a history of domestic violence, while maintaining the confidentiality of that information.

(b) Referral of persons so identified to counseling and supportive services.

(c) In accordance with a determination of good cause, the waiving of certain requirements of family independence programs where compliance with those requirements would make it more difficult for the individual to escape domestic violence or would unfairly penalize individuals who have been victims of domestic violence or who are at risk of further domestic violence.

Sec. 632. The department shall calculate the food assistance allotment for applicants who are United States citizens and who live in a household with legal immigrants in a manner that maximizes the food assistance available to these United States citizens under federal law.

Sec. 635. Within 6 business days of receiving all information necessary to process an application for payments for child day care, the family independence agency shall determine whether the child day care provider to whom the payments, if approved, would be made, is listed on the child abuse and neglect central registry. If the provider is listed on the central registry, the family independence agency shall immediately send written notice denying the applicant's request for child day care payments.

Sec. 640. (1) From the funds appropriated in part 1 for day care services, the department shall continue to provide infant and toddler incentive payments to child day care providers serving children from 0 to 2-1/2 years of age who meet licensing or training requirements.

(2) The use of the funds under this section should not be considered an ongoing commitment of funding.

Sec. 643. As a condition of receipt of federal TANF funds, homeless shelters shall collaborate with the family independence agency to obtain necessary TANF eligibility information on families as soon as possible after admitting a family to the homeless shelter. From the funds appropriated in part 1 for homeless shelters within state emergency relief, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. Homeless shelters that do not report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements will not receive reimbursements which exceed the per diem amount they received in fiscal year 2000. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Sec. 645. An individual or family is considered homeless, for purposes of eligibility for state emergency relief, if living temporarily with others in order to escape domestic violence. For purposes of this section, domestic violence is defined and verified in the same manner as in the family independence agency's policies on good cause for not cooperating with child support and paternity requirements.

Sec. 648. From the funds appropriated in part 1 for public assistance, the department may make assistance payments to recipients beyond the 5-year limit set by the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 110 Stat. 2105, providing the recipient is complying with asset, income, and participation standards set as a condition of eligibility to receive assistance and clearly demonstrates that he or she is making progress in becoming self-sufficient.

Sec. 653. From the funds appropriated in part 1 for food assistance, an individual who is the victim of domestic violence and does not qualify for any other exemption may be exempt from the 3-month in 36-month limit on receiving food assistance under section 6(o)(6) of the food stamp act of 1977, Public Law 88-525, 7 USC 2015. This exemption can be extended an additional 3 months upon demonstration of continuing need.

Sec. 657. (1) The department shall fund a statewide before- or after-school program to provide youth with a safe, engaging environment to motivate and inspire learning outside the traditional classroom setting. Before- or after-school program eligibility is limited to geographic areas near school buildings that do not meet federal no child left behind annual yearly progress (AYP) requirements and that include the before- or after-school programs in the AYP plans as a means to improve outcomes. Before-school programs are limited to elementary school-aged children. Effective before- or after-school programs combine academic, enrichment, and recreation activities to guide learning and inspire children and youth in various activities. The before- or after-school programs can meet the needs of the communities served by the programs.

(2) The department shall work in collaboration with independent contractors to put into practice a program establishing quality before- or after-school programs for children in kindergarten to ninth grades. In order for an independent contractor to receive TANF funds, a child served must be a member of a family with an income that does not exceed 200% of the federal poverty guidelines published by the United States department of health and human services.

(3) The department shall, through a competitive bid process, provide grants or contracts up to \$5,000,000.00 in TANF funds for the program based on community needs. A county shall receive no more than 20% of the funds appropriated in part 1 for this program. From the funds appropriated in part 1 for before- or after-school programs within day care services, the department is authorized to make allocations of funds only to the agencies that report necessary data to the department for the purpose of meeting TANF and maintenance of effort eligibility reporting requirements. The use of funds under this section should not be considered an ongoing commitment of funding.

(4) The before- or after-school programs shall include academic assistance, including assistance with reading and writing, and at least 3 of the following topics:

- (a) Abstinence-based pregnancy prevention.
- (b) Chemical abuse and dependency including nonmedical services.
- (c) Gang violence prevention.
- (d) Preparation toward future self-sufficiency.
- (e) Leadership development.
- (f) Case management or mentoring.
- (g) Parental involvement.
- (h) Anger management.

(5) The department may enter into grants or contracts with independent contractors including, but not limited to, faith-based organizations, boys or girls clubs, schools, or nonprofit organizations. The department shall grant priority in funding independent contractors who secure at least 25% in matching funds. The matching funds may either be fulfilled through local, state, or federal funds, and/or through in-kind or other donations.

(6) A referral to a program may be made by, but is not limited to, any of the following: a teacher, counselor, parent, police officer, judge, or social worker.

(7) By August 30, 2005, the department before- or after-school program expenditures shall be audited and the department shall work in collaboration with independent contractors to provide a report on the before- or after-school program to the senate and house standing committees dealing with human services, the senate and house appropriations subcommittees for the family independence agency budget, the senate and house fiscal agencies, and the senate and house policy offices. The report shall include the number of participants and the average cost per participant, as well as changes noted in program participants in any of the following categories:

- (a) Juvenile crime.
- (b) Aggressive behavior.
- (c) Academic achievement.
- (d) Development of new skills and interests.
- (e) School attendance and dropout rates.
- (f) Behavioral changes in school.

Sec. 660. From the funds appropriated in part 1 for food bank council activities within state emergency relief, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The agencies that do not report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements will not receive allocations in excess of those received in fiscal year 2000. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Sec. 665. The department shall partner with the department of transportation to use TANF and other sources of available funding to support public transportation needs of TANF-eligible individuals. By January 1, 2005, the department shall report on the new transportation initiatives developed to the senate and house appropriations subcommittees on the family independence agency, senate and house standing committees on human services matters, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director.

Sec. 666. The department shall continue to implement the plan developed during the fiscal year ending in 2004 to increase the participation of eligible family independence program recipients in the federal earned income tax credit. The department shall report the details of the plan to the senate and house appropriations subcommittees on the family independence agency budget, the senate and house standing committees on human services, the senate and house fiscal agencies and policy offices, and the state budget director no later than December 31, 2004.

Sec. 668. (1) In coordination with the Michigan alliance of boys and girls clubs, the department may expend \$250,000.00 in TANF funds to make allocations for a statewide collaborative project to develop a community-based program available to children ages 6 to 15.

(2) The department shall make allocations of TANF funds under this section only to agencies that report necessary data to the department for the purpose of meeting the TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment.

(3) The department shall grant priority in funding to programs that provide at least 10% in matching funds. The matching funds requirement shall be fulfilled through any combination of local, state, or federal funds or in-kind or other donations. A program that cannot meet the matching requirement shall not be excluded from applying for a contract.

Sec. 669. (1) The department shall distribute cash and food assistance to recipients electronically by using debit cards.

(2) The department shall allocate up to \$6,850,000.00 for the annual clothing allowance. The allowance shall be granted to all eligible children as defined by the department.

Sec. 670. It is the intent of the legislature that the funds appropriated in part 1 for kinship care in the fiscal year ending September 30, 2005 reflect the legislature's commitment to reduce the benefit discrepancy between kinship care and a similar family size within the family independence agency program (FIP). The legislature recognizes the commitment of relatives to provide family continuity, nurturance, and care for this special population of children who can no longer remain in their parents' care due to abuse, neglect, or other social problems.

Sec. 671. The department shall work with private nonprofit service providers to implement an Internet-based information system providing centralized benefit eligibility information and electronic application forms and application submission. This system may be used by volunteer counselors to assist users in obtaining all available public assistance.

Sec. 672. By January 1, 2005, the department shall report to the house and senate appropriations subcommittees for the family independence agency budget, the house and senate standing committees on human services, the house and senate fiscal agencies and policy offices, and the state budget director on the department's food assistance outreach efforts.

Sec. 673. The department shall immediately send notification to a client participating in the state child day care program and his or her child day care provider if the client's eligibility is reduced or eliminated.

Sec. 674. The department shall develop and implement a plan to reduce waste, fraud, and abuse within the child day care program, including feasibility for expanding wage match and employer verification, unannounced home call verification at day care sites, and other process changes. Quarterly, beginning December 31, 2004, the department shall report to the house and senate appropriations subcommittees for the family independence agency budget, the house and senate fiscal agencies and policy offices, and the state budget director on plan details and implementation status.

Sec. 675. The department shall utilize the most recent market rate survey to explore potential costs to implement a child day care rate structure that more accurately reflects the costs of care by vicinity. By March 1, 2005, the department shall report the results of the analysis to the senate and house subcommittees on the family independence agency budget, the senate and house fiscal agencies and policy offices, and the state budget office.

Sec. 676. (1) The department shall collaborate with the state board of education to extend the duration of the Michigan after-school initiative, to be renamed the Michigan after-school partnership, and oversee its efforts to implement the policy recommendations and strategic next steps identified in the Michigan after-school initiative's report of December 15, 2003.

(2) From the funds appropriated in part 1, \$25,000.00 may be used to support the Michigan after-school partnership and shall be used to leverage other private and public funding to engage the public and private sectors in building and sustaining high-quality out-of-school-time programs and resources. The cochairs shall name a fiduciary agent and may authorize the fiduciary to expend funds and hire people to accomplish the work of the Michigan after-school partnership.

(3) Participation in the Michigan after-school partnership shall be expanded beyond the membership of the initial Michigan after-school initiative to increase the representation of parents, youth, foundations, employers, and others with experience in education, child care, after-school and youth development services, and crime and violence prevention, and to include representation from the department of community health. Each year, on or before December 31, the Michigan after-school partnership shall report its progress in reaching the recommendations set forth in the Michigan after-school initiative's report to the legislature and the governor.

JUVENILE JUSTICE SERVICES

Sec. 702. Expansion of facilities funded under part 1 for juvenile justice services shall not be authorized by the joint capital outlay subcommittee of the appropriations committees until the department has held a public hearing in the community where the facility proposed to be expanded is located.

Sec. 703. A juvenile adjudicated and placed in a state-operated maximum security program funded under part 1 for juvenile justice services shall not be allowed to leave the property of the maximum security facility at which the program is located except when required to leave the property for medical treatment, court appearances, or other good cause approved by the facility director. For purposes of this section, "juvenile" means that term as defined in section 115n of the social welfare act, 1939 PA 280, MCL 400.115n.

Sec. 704. New facilities funded under part 1 for juvenile justice services shall not be located within 1,500 feet of property in use for a K-12 educational program.

Sec. 705. (1) The department, in conjunction with private juvenile justice residential programs, shall develop a methodology for measuring goals, objectives, and performance standards for the delivery of juvenile justice residential programs. These goals, objectives, and performance standards shall apply to both public and private delivery of juvenile justice residential programs, and data shall be collected from both private and public juvenile justice residential programs that can be used to evaluate performance achievements, including, but not limited to, the following:

- (a) Admission and release data and other information related to demographics of population served.
- (b) Program descriptions and information related to treatment, educational services, and conditions of confinement.
- (c) Program outcomes including recidivism rates for youth served by the facility.

(2) The department shall submit a quarterly report to the legislature, beginning December 31, 2004, outlining the progress of the development of the goals, objectives, and performance standards, as well as the information collected through the implementation of the performance measurement program. The report shall include the following:

- (a) Trends in census and population demographics.
- (b) Program outcomes.
- (c) Staff and resident safety.
- (d) Facility profile.
- (e) Fiscal information necessary for qualitative understanding of program operations and comparative costs of public and private facilities.

Sec. 713. (1) The department shall work cooperatively with judiciary and with the departments of community health and career development to coordinate and improve the delivery of mental health and substance abuse treatment and education and training services to individuals leaving the juvenile justice system, especially those aging out of the system identified as continuing to pose a serious risk to themselves or others.

(2) As required by section 18 of chapter XIIA of the probate code of 1939, 1939 PA 288, MCL 712A.18, juveniles committed to an institution operated by the department shall receive medical, dental, surgical, or other health care as necessary. The Medicaid reimbursable rate scale shall be used as the standard for allowable charges for services

rendered. The family independence agency shall reimburse providers for the actual charges less than or equal to the Medicaid reimbursable rate scale for each service provided.

Sec. 714. (1) The family independence agency shall provide technical assistance for counties to develop information networks including, but not limited to, serious habitual offenders comprehensive action program (SHOCAP), juvenile justice on-line technology (JJOLT), and juvenile violent reporting system (JVRS).

(2) The department shall assist counties in identifying funding sources for the networks, including, but not limited to, the child care fund and the juvenile accountability incentive block grant.

(3) The local units of government shall report to the department on expenditures of their juvenile justice information networks in concert with their requests for reimbursement from the child care fund.

(4) The department shall report to the house and senate appropriations subcommittees for the family independence agency budget, the house and senate fiscal agencies and policy offices, and the state budget director by January 15, 2005 on department efforts to encourage county information networks development described in subsection (1).

Sec. 715. (1) It is the intent of the legislature that the primary function of the juvenile justice system shall be to promote the protection of individuals and communities through the reduction of juvenile crime.

(2) The department shall report to the house and senate appropriations subcommittees for the family independence agency budget, the house and senate fiscal agencies and policy offices, and the state budget director by October 30, 2004 on the status of implementing recommendations of the 2001 joint house and senate task force on juvenile justice, including, but not limited to, the following:

(a) Mentoring programs that focus on improving communication and collaboration, encourage quality mentoring programs, recruitment of mentors, and increasing public awareness of and participation in programs for at-risk youth.

(b) Discussion of programs relating to juvenile information networks as an Internet-based communication tool that assists with case management of juvenile offenders in the area.

(c) Discussion of the possibility of implementing a program modeled after the "Wisconsin citizenship initiative" to collaborate with the before- or after-school programs offered under the authority of this act.

(d) Exploration of the option of a summit conducted via the Internet to discuss measures relating to the prevention and intervention of at-risk youth.

(e) Discussion of California's "8% early intervention" program that focuses on aggressive early intervention and treatment of young, high at-risk juvenile offenders and their families.

(f) Multisystem therapy.

(g) Youth service projects.

(h) Community services projects.

Sec. 716. It is the intent of the legislature that the department continue to review juvenile justice facilities and maximize cost and efficiency. By January 15, 2005, the department shall report to the house and senate appropriations subcommittees for the family independence agency budget, the house and senate fiscal agencies and policy offices, and the state budget director on utilization of juvenile justice facilities and potential consolidation efforts.

Sec. 718. The department shall notify the department of management and budget that W.J. Maxey training school property identified by the department as parcels 1, 3, and 4 is no longer necessary to support department functions.

Sec. 719. It is the intent of the legislature that the administration's proposal for the Adrian training school be implemented, except that the W.J. Maxey training school Sequoyah center shall be closed and residents at the Sequoyah center and the male residents at the Adrian training school shall be relocated to alternative public or private facilities or community settings. The department shall notify the legislature at least 30 days before closing or making any change in the status of a state juvenile justice facility.

LOCAL OFFICE SERVICES

Sec. 750. The department shall maintain out-stationed eligibility specialists in community-based organizations and hospitals in the same locations as in fiscal year 2003-2004.

Sec. 751. (1) From the funds appropriated in part 1, the department shall implement school-based family resource centers based on the following guidelines:

(a) The center is supported by the local school district.

(b) The programs and information provided at the center do not conflict with sections 1169, 1507, and 1507b of the revised school code, 1976 PA 451, MCL 380.1169, 380.1507, and 380.1507b.

(c) Notwithstanding subdivision (b), the center shall provide information regarding crisis pregnancy centers or adoption service providers in the area.

(2) The department shall notify the senate and house subcommittees on the family independence agency budget, the senate and house fiscal agencies and policy offices, and the state budget office of family resource center expansion efforts and shall provide all of the following at the beginning of the selection process or no later than 5 days after eligible schools receive opportunity notification:

(a) A list of eligible schools.

(b) The selection criteria to be used.

(c) The projected number to be opened.

(d) The financial implications for expansion, including funding sources.

Sec. 752. The department shall research and report to the legislature on potential sources of federal funding to support child advocacy centers.

DISABILITY DETERMINATION SERVICES

Sec. 801. The family independence agency disability determination services in agreement with the department of management and budget office of retirement systems will develop the medical information and make recommendations for medical disability retirement for state employees, state police, judges, and school teachers.

CHILD SUPPORT ENFORCEMENT

Sec. 901. (1) From the federal money received for child support incentive payments, up to \$15,397,400.00 shall be retained by the state and expended for legal support contracts and child support program expenses.

(2) In addition to the amount retained in subsection (1), additional incentives may be retained and used by the state for special, enhanced, or centralized initiatives or services that are reasonably calculated by the department, in consultation with the child support program leadership group, which consists of representatives of the state court administrative office, the friend of the court association, the prosecuting attorney's association of Michigan, the Michigan department of information technology, the family independence agency office of child support, and the state budget office, to result in an equivalent or greater increase in child support collections or child support incentive payments received from the federal government. If payment from the federal government for collection performance incentives exceeds the amount received by the state for the fiscal year 2000, the total amount paid to counties shall be no less than the total amount paid for federal performance incentives in fiscal year 2001.

(3) At the end of the current fiscal year, the department may, if it is cost beneficial to the state and counties, withhold from submitting to the federal office of child support administrative expenses eligible for federal financial participation. The department may recoup earned but unclaimed federal funds from the resulting increased federal child support incentive. The recoupment by the department shall be made prior to distribution of the increased incentive to the counties. Any incentive funds retained by the state under this section shall be separate and apart from incentive funds retained in any other section of this act.

(4) For the purpose of providing title IV-D child support enforcement funding, the department, as the IV-D agency, shall, within 30 days of the passage of this act, maintain a cooperative agreement with the state attorney general for IV-D funding to support the child support enforcement activities of the office of the attorney general. The department to the extent possible under federal law shall provide to the office of the attorney general any information used by the office of child support enforcement to locate parents who fail to pay court-ordered child support, to collect child support, or to enforce child support orders.

OFFICE OF CHILDREN AND ADULT LICENSING

Sec. 1001. The department shall assess fees in the licensing and regulation of child care organizations as defined in 1973 PA 116, MCL 722.111 to 722.128, and adult foster care facilities as defined in the adult foster care facility licensing act, 1979 PA 218, MCL 400.701 to 400.737. Fees collected by the department shall be used exclusively for the purpose of licensing and regulating child care organizations and adult foster care facilities.

Sec. 1002. The department shall furnish the clerk of the house, the secretary of the senate, the senate and house fiscal agencies and policy offices, the state budget office, and all members of the house and senate appropriations committees with a summary of any evaluation reports and subsequent approvals or disapprovals of juvenile residential facilities operated by the department, as required by section 6 of 1973 PA 116, MCL 722.116. If no evaluations are conducted during the fiscal year, the department shall notify the fiscal agencies and all members of the appropriate subcommittees of the house and senate appropriations committees.

Sec. 1003. If federal funds become available to support a lead testing program, the department shall, before issuing a license for a day care facility and as part of licensing review and facility inspection, require documentation verifying that the facility has been inspected for lead hazards and that any lead hazards identified have been remediated.

Sec. 1004. The department shall evaluate the potential for licensing of secure adult foster care facilities.

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

A bill to make appropriations for the family independence agency and certain state purposes related to public welfare services for the fiscal year ending September 30, 2005; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

Jerry Kooiman
Jacob Hoogendyk, Jr.
Chris Kolb
Conferees for the House

Bill Hardiman
Thomas M. George
Hansen Clarke
Conferees for the Senate

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

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

Roll Call No. 615**Yeas—34**

| | | | |
|----------|-------------|-----------|-------------|
| Allen | Clarke | Jacobs | Prusi |
| Barcia | Cropsey | Jelinek | Sanborn |
| Basham | Emerson | Johnson | Schauer |
| Birkholz | Garcia | Kuipers | Sikkema |
| Bishop | George | Leland | Stamas |
| Brater | Gilbert | McManus | Switalski |
| Brown | Goschka | Olshove | Toy |
| Cassis | Hammerstrom | Patterson | Van Woerkom |
| Cherry | Hardiman | | |

Nays—0**Excused—3**

| | | |
|---------|---------------|-------|
| Bernero | Clark-Coleman | Scott |
|---------|---------------|-------|

Not Voting—1

Thomas

In The Chair: President

Senator Hammerstrom moved that the bill be given immediate effect.
 The motion prevailed, 2/3 of the members serving voting therefor.

House Bill No. 5520, entitled

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2005; to provide for the expenditure of these appropriations; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain officials and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

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

The Conference Report was read as follows:

FIRST CONFERENCE REPORT

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

House Bill No. 5520, entitled

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2005; to provide for the expenditure of these appropriations; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain officials and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

Recommends:

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

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2005; to provide for the expenditure of these appropriations; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain officials and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:
PART 1
LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the judicial branch for the fiscal year ending September 30, 2005, from the funds indicated in this part. The following is a summary of the appropriations in this part:

JUDICIARY

APPROPRIATION SUMMARY:

| | | |
|--|-------|----------------|
| Full-time equated exempted positions | 582.5 | |
| GROSS APPROPRIATION | | \$ 253,216,700 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 4,633,500 |
| ADJUSTED GROSS APPROPRIATION | | \$ 248,583,200 |
| Federal revenues: | | |
| Total federal revenues | | 4,015,600 |
| Special revenue funds: | | |
| Total local revenues | | 3,298,100 |
| Total private revenues | | 842,500 |
| Total other state restricted revenues | | 82,333,700 |
| State general fund/general purpose | | \$ 158,093,300 |
| Sec. 102. SUPREME COURT | | |
| Full-time equated exempted positions | 285.0 | |
| Supreme court administration—117.0 FTE positions | | \$ 10,704,000 |
| Judicial institute—19.0 FTE positions | | 2,661,300 |
| State court administrative office—79.0 FTE positions | | 10,149,100 |
| Judicial information systems—21.0 FTE positions | | 4,608,500 |
| Direct trial court automation support—33.0 FTE positions..... | | 3,298,100 |
| Foster care review board—12.0 FTE positions..... | | 1,207,500 |
| Community dispute resolution—4.0 FTE positions..... | | 2,248,400 |
| Other federal grants | | 275,000 |
| Drug treatment courts | | 4,635,000 |
| GROSS APPROPRIATION | | \$ 39,786,900 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG from department of community health | | 1,800,000 |
| IDG from department of career development | | 95,000 |
| IDG from state police - criminal justice improvement | | 2,015,000 |
| IDG from state police - Michigan justice training fund | | 300,000 |
| Federal revenues: | | |
| DOJ, victims assistance programs..... | | 50,000 |
| DOJ, drug court training and evaluation | | 300,000 |
| DOT, national highway traffic safety administration | | 215,300 |
| HHS, access and visitation grant..... | | 387,000 |
| HHS, children’s justice grant | | 200,000 |
| HHS, court improvement project..... | | 1,160,000 |
| HHS, title IV-D child support program | | 907,700 |
| HHS, title IV-E foster care program..... | | 520,600 |
| Other federal grant revenues | | 275,000 |
| Special revenue funds: | | |
| Local - user fees | | 3,298,100 |
| Private..... | | 169,000 |
| Private - interest on lawyers trust accounts | | 232,700 |
| Private - state justice institute | | 370,800 |
| Community dispute resolution fund | | 2,248,400 |
| Law exam fees | | 482,100 |
| Drug court fund | | 1,688,300 |
| Miscellaneous revenue | | 227,900 |
| Justice system fund..... | | 600,000 |
| State court fund | | 319,000 |
| State general fund/general purpose | | \$ 21,925,000 |

For Fiscal Year
Ending Sept. 30,
2005

| | |
|---|----------------------|
| Sec. 103. COURT OF APPEALS | |
| Full-time equated exempted positions | 228.5 |
| Court of appeals operations—228.5 FTE positions | \$ 17,911,800 |
| GROSS APPROPRIATION | \$ 17,911,800 |
| Appropriated from: | |
| Special revenue funds: | |
| Court filing/motion fees | 1,746,000 |
| Miscellaneous revenue | 77,800 |
| State general fund/general purpose | \$ 16,088,000 |
| Sec. 104. BRANCHWIDE APPROPRIATIONS | |
| Full-time equated exempted positions | 4.0 |
| Branchwide appropriations—4.0 FTE positions | \$ 7,077,900 |
| GROSS APPROPRIATION | \$ 7,077,900 |
| Appropriated from: | |
| State general fund/general purpose | \$ 7,077,900 |
| Sec. 105. JUSTICES' AND JUDGES' COMPENSATION | |
| Full-time judges positions | 613.0 |
| Supreme court justices' salaries—7.0 judges | \$ 1,152,300 |
| Court of appeals judges' salaries—28.0 judges | 4,240,300 |
| District court judges' state base salaries—258.0 judges | 23,877,200 |
| District court judicial salary standardization | 11,796,800 |
| Probate court judges' state base salaries—103.0 judges | 9,030,800 |
| Probate court judicial salary standardization | 4,344,200 |
| Circuit court judges' state base salaries—217.0 judges | 20,416,900 |
| Circuit court judicial salary standardization | 9,910,700 |
| Judges' retirement system defined contributions | 2,704,100 |
| OASI, social security | 4,689,700 |
| GROSS APPROPRIATION | \$ 92,163,000 |
| Appropriated from: | |
| Special revenue funds: | |
| Court fee fund | 7,090,200 |
| State general fund/general purpose | \$ 85,072,800 |
| Sec. 106. JUDICIAL AGENCIES | |
| Full-time equated exempted positions | 10.0 |
| Judicial tenure commission—10.0 FTE positions | \$ 989,000 |
| GROSS APPROPRIATION | \$ 989,000 |
| Appropriated from: | |
| State general fund/general purpose | \$ 989,000 |
| Sec. 107. INDIGENT DEFENSE - CRIMINAL | |
| Full-time equated exempted positions | 55.0 |
| Appellate public defender program—47.0 FTE positions | \$ 4,586,500 |
| Appellate assigned counsel administration—8.0 FTE positions | 843,500 |
| GROSS APPROPRIATION | \$ 5,430,000 |
| Appropriated from: | |
| Interdepartmental grant revenues: | |
| IDG from state police - Michigan justice training fund | 423,500 |
| Special revenue funds: | |
| Private - interest on lawyers trust accounts | 70,000 |
| Miscellaneous revenue | 113,100 |
| State general fund/general purpose | \$ 4,823,400 |
| Sec. 108. INDIGENT CIVIL LEGAL ASSISTANCE | |
| Indigent civil legal assistance | \$ 7,337,000 |
| GROSS APPROPRIATION | \$ 7,337,000 |
| Appropriated from: | |
| Special revenue funds: | |
| State court fund | 7,337,000 |
| State general fund/general purpose | \$ 0 |

For Fiscal Year
Ending Sept. 30,
2005

Sec. 109. TRIAL COURT OPERATIONS

| | |
|--|----------------------|
| Court equity fund reimbursements | \$ 68,906,000 |
| Judicial technology improvement..... | 4,465,000 |
| GROSS APPROPRIATION | \$ 73,371,000 |

Appropriated from:

Special revenue funds:

| | |
|---|---------------|
| Court equity fund..... | 46,788,800 |
| Judicial technology improvement fund..... | 4,465,000 |
| State general fund/general purpose | \$ 22,117,200 |

Sec. 110. GRANTS AND REIMBURSEMENTS TO LOCAL GOVERNMENT

| | |
|---------------------------------------|---------------------|
| Drug case-flow program | \$ 250,000 |
| Drunk driving case-flow program | 2,300,000 |
| Juror compensation reimbursement..... | 6,600,000 |
| Transcript fee reimbursement..... | 100 |
| GROSS APPROPRIATION | \$ 9,150,100 |

Appropriated from:

Special revenue funds:

| | |
|--|-----------|
| Drug fund | 250,000 |
| Drunk driving fund | 2,300,000 |
| Juror compensation fund..... | 6,600,000 |
| Transcript fee fund..... | 100 |
| State general fund/general purpose | \$ 0 |

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2004-2005 is \$240,427,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2004-2005 is estimated at \$123,214,400.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

JUDICIARY

SUPREME COURT

| | |
|--|------------|
| State court administrative office..... | \$ 511,900 |
| Drug treatment courts | 4,335,000 |

TRIAL COURT OPERATIONS

| | |
|---|---------------|
| Court equity fund reimbursements | \$ 68,906,000 |
| Judicial technology improvement fund..... | 4,465,000 |

JUSTICES' AND JUDGES' COMPENSATION

| | |
|--|---------------|
| District court judicial salary standardization..... | \$ 11,796,800 |
| Probate court judges' state base salaries | 9,030,800 |
| Probate court judicial salary standardization..... | 4,344,200 |
| Circuit court judicial salary standardization..... | 9,910,700 |
| Grant to OASI contribution fund, employers share, social security..... | 763,900 |

GRANTS AND REIMBURSEMENTS TO LOCAL GOVERNMENT

| | |
|---------------------------------------|-----------------------|
| Drunk driving case-flow program | \$ 2,300,000 |
| Drug case-flow program | 250,000 |
| Juror compensation reimbursement..... | 6,600,000 |
| Transcript fee reimbursement..... | 100 |
| TOTAL..... | \$ 123,214,400 |

Sec. 202. (1) The appropriations authorized under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(2) Funds appropriated in part 1 to an entity within the judicial branch shall not be expended or transferred to another account without written approval of the authorized agent of the judicial entity. If the authorized agent of the judicial entity notifies the state budget director of its approval of an expenditure or transfer, the state budget director shall immediately make the expenditure or transfer. The authorized judicial entity agent shall be designated by the chief justice of the supreme court.

Sec. 203. As used in this act:

- (a) "DOJ" means the United States department of justice.
- (b) "DOT" means the United States department of transportation.
- (c) "FTE" means full-time equated.
- (d) "HHS" means the United States department of health and human services.
- (e) "IDG" means interdepartmental grant.
- (f) "OASI" means old age survivor's insurance.
- (g) "TANF" means temporary assistance for needy families.

Sec. 207. At least 90 days before beginning any effort to privatize, the judicial branch 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 reporting requirements of this act shall be completed with the approval of, and at the direction of, the supreme court. Unless otherwise specified, the judicial branch shall use the Internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

Sec. 211. (1) The judicial branch shall provide to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies a monthly report on all personal service contracts awarded without competitive bidding, pricing, or rate setting. The notification shall include all of the following:

- (a) The total dollar amount of the contract.
- (b) The duration of the contract.
- (c) The name of the vendor.
- (d) The type of service to be provided.

(2) For personal service contracts of \$100,000.00 or more, the judicial branch shall provide a monthly report on all of the following:

- (a) The total dollar amount of the contract.
- (b) The duration of the contract.
- (c) The name of the vendor.
- (d) The type of service to be provided.

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

Sec. 214. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality.

Sec. 215. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2005 shall be limited to situations in which 1 or more of the following conditions apply:

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
- (d) The travel is necessary to comply with federal requirements.
- (e) The travel is necessary to secure specialized training for staff that is not available within this state.
- (f) The travel is financed entirely by federal or nonstate funds.

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

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

- (a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.
- (b) The destination of each travel occurrence.
- (c) The dates of each travel occurrence.
- (d) A brief statement of the reason for each travel occurrence.

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

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

JUDICIAL BRANCH

Sec. 301. (1) The direct trial court automation support program of the state court administrative office shall recover direct and overhead costs from trial courts by charging for services rendered. The fee shall cover the actual costs incurred to the direct trial court automation support program in providing the service. A report of amounts collected in excess of funds identified as user service charges in part 1 shall be submitted to the state budget director and to the house and senate appropriations subcommittees on judiciary 30 days before expenditure by the direct trial court automation support program.

(2) From funds appropriated in part 1, the direct trial court automation support program of the state court administrative office shall provide to the state budget director, the senate and house appropriations committees, and the senate and house fiscal agencies before January 1 of each year, a detailed list of user service charges collected during the immediately preceding state fiscal year.

Sec. 302. Funds appropriated within the judicial branch shall not be expended by any component within the judicial branch without the approval of the supreme court.

Sec. 303. Of the amount appropriated in part 1 for the judicial branch, \$325,000.00 is allocated for circuit court reimbursement under section 3 of 1978 PA 16, MCL 800.453, and \$186,900.00 is allocated for court of claims reimbursement under section 6413 of the revised judicature act of 1961, 1961 PA 236, MCL 600.6413.

Sec. 304. The judicial branch shall cooperate with the auditor general regarding audits of the judicial branch conducted pursuant to section 53 of article IV of the state constitution of 1963.

Sec. 305. To avoid the overexpenditure of funds appropriated under this act, the supreme court shall report quarterly to the state budget director and to the judiciary subcommittees of the house and senate appropriations committees regarding the status of the accounts set forth in part 1.

Sec. 306. The supreme court and the state administrative office shall continue to maintain, as a priority, the assisting of local trial courts in improving the collection of judgments.

Sec. 307. It is the intent of the legislature that from the funds appropriated in part 1 for court of appeals operations, the judiciary shall use the following revenue amounts for the purpose of delay reduction:

(a) \$225,000.00 of additional filing fee revenue raised from the increase from \$250.00 to \$375.00 in court of appeals filing fees under section 321(1)(a) of the revised judicature act of 1961, 1961 PA 236, MCL 600.321.

(b) \$87,500.00 of additional fee revenue raised from the increase in court of appeals motion fees from \$75.00 to \$100.00 and from the increase from \$150.00 to \$200.00 in fees for motions for immediate consideration or expedited appeal, under section 321(1)(b) and (c) of the revised judicature act of 1961, 1961 PA 236, MCL 600.321.

Sec. 308. If sufficient funds are not available from the court fee fund to pay judges' compensation, the difference between the appropriated amount from that fund for judges' compensation and the actual amount available after the amount appropriated for trial court reimbursement is made shall be appropriated from the state general fund for judges' compensation.

Sec. 310. From the funds appropriated in part 1 for drug treatment court programs, under the direction of the supreme court, the state court administrative office shall contract with 1 or more independent third parties for evaluation and monitoring of drug court programs funded by the judiciary. The evaluation shall include measures of the impact of drug court programs in changing offender criminal involvement (recidivism) and substance abuse and in reducing prison admissions. The evaluation of a program funded with federal Byrne funds shall be consistent with any requirements contained in the federal Byrne grant for that program. Evaluations required by this section shall to the extent feasible compare offenders treated under the programs with other offenders of similar characteristics. Not later than June 1, 2005, the state court administrative office shall provide a progress report regarding the status and findings of the evaluation to the senate and house appropriations subcommittees on the judiciary, the senate and house fiscal agencies, and the state budget director.

Sec. 311. (1) The funds appropriated in part 1 for drug treatment courts shall be administered by the state court administrative office to operate drug treatment court programs. A drug treatment court program shall not receive funds for more than 5 years. A drug treatment court shall be responsible for handling cases involving substance abusing nonviolent offenders through comprehensive supervision, testing, treatment services, and immediate sanctions and incentives. A drug treatment court shall use all available county and state personnel involved in the disposition of cases including, but not limited to, parole and probation agents, prosecuting attorneys, defense attorneys, and community corrections providers. The funds may be used in connection with other federal, state, and local funding sources.

(2) Local units of government are encouraged to refer to federal drug treatment court guidelines to prepare proposals. However, federal agency approvals are not required for funding under this section.

(3) From the funds appropriated in part 1, the chief justice shall allocate sufficient funds for the judicial institute to provide in-state training for those identified in subsection (1), including training for new drug treatment court judges.

(4) For drug treatment court grants, consideration for priority may be given to those courts where higher instances of substance abuse cases are filed.

(5) The judiciary shall receive \$1,800,000.00 in Byrne formula grant funding as an interdepartmental grant from the department of community health to be used for expansion of drug treatment courts, to assist in avoiding prison bed space growth for nonviolent offenders in collaboration with the department of corrections.

Sec. 312. From the funds appropriated in part 1, the state court administrator shall produce a statistical report regarding the implementation of the parental rights restoration act, 1990 PA 211, MCL 722.901 to 722.908, as it pertains to minors seeking a court-issued waiver of parental consent. The state court administrative office shall report the total number of petitions filed and the total number of petitions granted in accordance with section 208.

Sec. 313. (1) The appropriation in part 1 for the judicial technology improvement fund shall be allocated for the development of a statewide judicial information system. The supreme court, working with the department of state police, department of corrections, secretary of state, prosecuting attorneys association of Michigan, and the department of information technology, will develop a statewide telecommunications infrastructure to integrate criminal justice information systems. The judicial technology improvement fund shall also provide grants to local trial court funding units to encourage technology innovations by local trial courts that will result in enhanced public service. These innovations will include, but not be limited to, electronic filing, on-line payments of fines and fees, and web-based instructions for completion of court documents.

(2) Funds in part 1 may be used to develop, operate, and maintain the cyber court created in chapter 80 of the revised judicature act of 1961, 1961 PA 236, MCL 600.8001 to 600.8029.

Sec. 314. If funds become available from the federal government for mental health courts, the state court administrative office shall assist those local trial courts who are interested in starting a mental health court in writing grants and any other assistance that may help them receive such funds.

Sec. 315. The judicial branch shall communicate regarding information technology activities with the department of information technology.

Sec. 317. From the funds appropriated in part 1 for transcript fee reimbursement, the judiciary shall reimburse counties for additional costs incurred in the event of a statutory increase in transcript fees under section 2543 of the revised judicature act of 1961, 1961 PA 236, MCL 600.2543.

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

A bill to make appropriations for the judicial branch for the fiscal year ending September 30, 2005; to provide for the expenditure of these appropriations; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain officials and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

John Stewart
Glenn Steil, Jr.
Tupac Hunter
Conferees for the House

Alan L. Cropsey
Valde Garcia
Michael Switalski
Conferees for the Senate

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

Senator Hammerstrom moved that the rule be suspended.

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

The question being on the adoption of the conference report,

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

Roll Call No. 616

Yeas—35

| | | | |
|----------|-------------|-----------|-------------|
| Allen | Clarke | Jacobs | Sanborn |
| Barcia | Cropsey | Jelinek | Schauer |
| Basham | Emerson | Johnson | Sikkema |
| Birkholz | Garcia | Kuipers | Stamas |
| Bishop | George | Leland | Switalski |
| Brater | Gilbert | McManus | Thomas |
| Brown | Goschka | Olshove | Toy |
| Cassis | Hammerstrom | Patterson | Van Woerkom |
| Cherry | Hardiman | Prusi | |

Nays—0

Excused—3

Bernero

Clark-Coleman

Scott

Not Voting—0

In The Chair: President

House Bill No. 5521, entitled

A bill to make appropriations for the department of labor and economic growth, the Michigan strategic fund, and certain other state purposes for the fiscal year ending September 30, 2005; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

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

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. 5521, entitled

A bill to make appropriations for the department of labor and economic growth, the Michigan strategic fund, and certain other state purposes for the fiscal year ending September 30, 2005; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

Recommends:

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

A bill to make appropriations for the department of labor and economic growth, the Michigan strategic fund, and certain other state purposes for the fiscal year ending September 30, 2005; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. The amounts listed in this part are appropriated for the department of labor and economic growth and the Michigan strategic fund, subject to the conditions set forth in this act, for the fiscal year ending September 30, 2005, from the funds identified in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF LABOR AND ECONOMIC GROWTH

APPROPRIATION SUMMARY:

| | | |
|--|---------|-------------------------|
| Full-time equated unclassified positions | 58.5 | |
| Full-time equated classified positions | 4,248.5 | |
| GROSS APPROPRIATION | | \$ 1,241,865,600 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 515,200 |
| ADJUSTED GROSS APPROPRIATION | | \$ 1,241,350,400 |
| Federal revenues: | | |
| Total federal revenues | | 836,502,100 |

| | For Fiscal Year Ending Sept. 30, 2005 |
|---|---|
| Special revenue funds: | |
| Total local revenues | \$ 15,669,600 |
| Total private revenues | 4,140,100 |
| Total other state restricted revenues | 290,500,600 |
| State general fund/general purpose | \$ 94,538,000 |
| Sec. 102. EXECUTIVE DIRECTION | |
| Full-time equated unclassified positions | 58.5 |
| Full-time equated classified positions | 256.0 |
| Unclassified salaries | \$ 5,349,400 |
| Energy office—9.0 FTE positions | 4,213,500 |
| Executive director programs—27.0 FTE positions | 2,964,300 |
| Policy development—25.0 FTE positions | 2,734,700 |
| Utility consumer representation | 550,000 |
| Regulatory efficiency improvements/backlog reduction initiative | 665,600 |
| MES board of review program—18.0 FTE positions | 1,930,600 |
| Commission on disability concerns—7.0 FTE positions | 969,100 |
| Commission for the blind—94.0 FTE positions | 18,122,400 |
| Youth low-vision program..... | 241,800 |
| Bureau of hearings—68.0 FTE positions | 8,196,300 |
| Rights-of-way oversight authority—5.0 FTE positions | 500,000 |
| Land bank fast track authority—3.0 FTE positions | 650,000 |
| GROSS APPROPRIATION | \$ 47,087,700 |
| Appropriated from: | |
| Federal revenues: | |
| DOE-OEERE, multiple grants..... | 3,679,100 |
| DOL-ETA, unemployment insurance | 9,392,500 |
| DOL-ETA, workforce investment act | 99,200 |
| DOL, federal funds | 269,900 |
| DOL, multiple grants for safety and health | 170,200 |
| Federal revenues | 13,804,500 |
| HHS, temporary assistance for needy families | 23,000 |
| Special revenue funds: | |
| Local revenues | 500,000 |
| Private - oil overcharge | 30,000 |
| Private revenues | 120,700 |
| Bank fees | 174,800 |
| Boiler fees | 33,500 |
| Construction code fund | 480,900 |
| Consumer finance fees | 61,200 |
| Corporation fees | 2,425,300 |
| Credit union fees..... | 112,700 |
| Elevator fees | 37,400 |
| Fees and collections/asbestos | 11,100 |
| Insurance regulatory fees | 566,200 |
| Land bank fast track authority | 650,000 |
| Licensing and regulation fees..... | 1,121,500 |
| Liquor license fees..... | 100,000 |
| Liquor purchase revolving fund | 1,773,500 |
| Manufactured housing commission fees..... | 159,900 |
| Metro authority fund..... | 500,000 |
| Michigan state housing development authority fees and charges..... | 475,900 |
| Motor carrier fees | 36,100 |
| Public utility assessments | 1,399,600 |
| Safety education and training fund | 243,900 |
| Second injury fund..... | 82,300 |
| Securities fees..... | 2,328,900 |

| | For Fiscal Year Ending Sept. 30, 2005 |
|---|---|
| Self-insurers security fund | \$ 22,300 |
| Silicosis and dust disease fund | 32,700 |
| State restricted revenues | 477,300 |
| Tax tribunal fees | 1,100 |
| Utility consumer representation fund | 550,000 |
| Worker's compensation administrative revolving fund | 80,800 |
| State general fund/general purpose | \$ 5,059,700 |
| Sec. 103. MANAGEMENT SERVICES | |
| Full-time equated classified positions | 161.0 |
| Administrative services—161.0 FTE positions | \$ 14,959,500 |
| Building occupancy charges - property development services | 9,282,400 |
| Rent | 17,338,600 |
| Worker's compensation | 1,947,700 |
| Special project advances | 940,000 |
| Human resources optimization user charges | 147,600 |
| GROSS APPROPRIATION | \$ 44,615,800 |
| Appropriated from: | |
| Interdepartmental grant revenues: | |
| IDG from department of community health | 300,000 |
| Federal revenues: | |
| CNS | 295,700 |
| DED-OSERS, rehabilitation services, vocational rehabilitation of state grants | 4,854,000 |
| DOL-ETA, workforce investment act | 439,100 |
| DOL-ETA, unemployment insurance | 14,125,000 |
| DOL, federal funds | 2,306,500 |
| DOL, multiple grants for safety and health | 573,600 |
| Federal funds | 20,600 |
| Federal revenues | 785,700 |
| HHS, temporary assistance for needy families | 311,400 |
| Special revenue funds: | |
| Local revenue | 135,500 |
| Private - special project advances | 940,000 |
| Bank fees | 287,800 |
| Boiler fee revenue | 239,100 |
| Construction code fund | 1,294,900 |
| Consumer finance fees | 103,900 |
| Contingent fund, penalty and interest account | 804,500 |
| Corporation fees | 2,584,100 |
| Credit union fees | 207,000 |
| Elevator fees | 268,100 |
| Fees and collections/asbestos | 45,300 |
| Fire service fees | 295,700 |
| Insurance licensing and regulation fees | 1,748,600 |
| Insurance regulatory fees | 553,600 |
| Licensing and regulation fees | 462,400 |
| Liquor purchase revolving fund | 3,784,500 |
| Manufactured housing commission fees | 243,300 |
| Michigan state housing development authority fees and charges | 2,933,300 |
| Motor carrier fees | 149,100 |
| Private occupational school license fees | 14,000 |
| Public utility assessments | 1,402,700 |
| Rehabilitation services fees | 90,300 |
| Safety education and training fund | 359,900 |
| Second injury fund | 171,200 |
| Securities fees | 304,700 |
| Self-insurers security fund | 61,000 |

| | For Fiscal Year Ending Sept. 30, 2005 |
|---|---|
| Silicosis and dust disease fund..... | \$ 68,600 |
| Worker’s compensation administrative revolving fund | 95,600 |
| State general fund/general purpose | \$ 955,500 |
| Sec. 104. OFFICE OF FINANCIAL AND INSURANCE SERVICES | |
| Full-time equated classified positions | 266.0 |
| Administration—8.0 FTE positions..... | \$ 2,632,400 |
| Financial evaluation—145.0 FTE positions..... | 19,543,000 |
| Policy conduct and consumer assistance—113.0 FTE positions..... | 12,865,700 |
| GROSS APPROPRIATION | \$ 35,041,100 |
| Appropriated from: | |
| Federal revenues: | |
| Federal funds | 50,400 |
| Special revenue funds: | |
| Bank fees | 7,078,600 |
| Consumer finance fees | 3,275,100 |
| Credit union fees..... | 4,484,200 |
| Insurance continuing education fees | 741,400 |
| Insurance licensing and regulation fees..... | 4,291,500 |
| Insurance regulatory fees | 13,288,100 |
| Multiple employer welfare arrangement..... | 65,700 |
| Securities fees..... | 1,766,100 |
| State general fund/general purpose | \$ 0 |
| Sec. 105. PUBLIC SERVICE COMMISSION | |
| Full-time equated classified positions | 146.0 |
| Administration, planning and regulation—146.0 FTE positions..... | \$ 18,734,700 |
| Low-income/energy efficiency assistance..... | 45,000,000 |
| GROSS APPROPRIATION | \$ 63,734,700 |
| Appropriated from: | |
| Federal revenues: | |
| DOE-OEERE, multiple grants..... | 149,000 |
| DOT-RSPA, gas pipeline safety..... | 940,700 |
| Special revenue funds: | |
| Low-income and energy efficiency fund | 45,000,000 |
| Motor carrier fees | 1,958,500 |
| Public utility assessments | 15,686,500 |
| State general fund/general purpose | \$ 0 |
| Sec. 106. LIQUOR CONTROL COMMISSION | |
| Full-time equated classified positions | 152.0 |
| Management support services—28.0 FTE positions..... | \$ 2,901,800 |
| Liquor licensing and enforcement—124.0 FTE positions..... | 11,587,700 |
| Liquor law enforcement grants | 6,000,000 |
| Grant to department of agriculture, wine industry council | 457,200 |
| GROSS APPROPRIATION | \$ 20,946,700 |
| Appropriated from: | |
| Special revenue funds: | |
| Liquor license revenue | 11,411,500 |
| Liquor purchase revolving fund | 9,078,000 |
| Nonretail liquor license revenue | 457,200 |
| State general fund/general purpose | \$ 0 |
| Sec. 107. MICHIGAN BROADBAND DEVELOPMENT AUTHORITY | |
| Full-time equated classified positions | 10.0 |
| Director of legal and regulatory affairs—1.0 FTE position | \$ 143,400 |
| Director of finance—1.0 FTE position..... | 134,500 |
| Director of marketing and customer development—1.0 FTE position | 134,500 |
| Director of accounting and purchasing—1.0 FTE position..... | 108,500 |
| Project director—1.0 FTE position | 108,500 |

| | For Fiscal Year Ending Sept. 30, 2005 |
|---|---|
| Director of community and government affairs—1.0 FTE position..... | \$ 92,300 |
| Executive assistant 13—1.0 FTE position..... | 71,100 |
| Executive assistant 11—1.0 FTE position..... | 61,900 |
| Accountant—1.0 FTE position..... | 54,000 |
| Intern positions—1.0 FTE position..... | 30,000 |
| Administration..... | 357,900 |
| GROSS APPROPRIATION | \$ 1,296,600 |
| Appropriated from: | |
| Special revenue funds: | |
| Michigan broadband development authority fees and charges..... | 1,296,600 |
| State general fund/general purpose..... | \$ 0 |
| Sec. 108. MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY | |
| Full-time equated classified positions..... | 232.0 |
| Payments on behalf of tenants..... | \$ 120,000,000 |
| Housing and rental assistance program—232.0 FTE positions..... | 31,624,300 |
| GROSS APPROPRIATION | \$ 151,624,300 |
| Appropriated from: | |
| Federal revenues: | |
| HUD, lower income housing assistance program..... | 136,971,200 |
| Special revenue funds: | |
| Michigan state housing development authority fees and charges..... | 14,653,100 |
| State general fund/general purpose..... | \$ 0 |
| Sec. 109. TAX TRIBUNAL | |
| Full-time equated classified positions..... | 12.0 |
| Operations—12.0 FTE positions..... | \$ 1,371,300 |
| GROSS APPROPRIATION | \$ 1,371,300 |
| Appropriated from: | |
| Special revenue funds: | |
| Securities fees..... | 376,100 |
| Tax tribunal fees..... | 688,300 |
| State general fund/general purpose..... | \$ 306,900 |
| Sec. 110. GRANTS | |
| Fire protection grants..... | \$ 7,210,500 |
| GROSS APPROPRIATION | \$ 7,210,500 |
| Appropriated from: | |
| Special revenue funds: | |
| Fire protection fund..... | 3,500,000 |
| Liquor purchase revolving fund..... | 3,710,500 |
| State general fund/general purpose..... | \$ 0 |
| Sec. 111. OCCUPATIONAL REGULATION | |
| Full-time equated classified positions..... | 409.0 |
| Code enforcement and fire safety—177.0 FTE positions..... | \$ 16,501,800 |
| Boiler inspection program—23.0 FTE positions..... | 2,305,200 |
| Elevator inspection program—27.0 FTE positions..... | 2,374,700 |
| Commercial services—149.0 FTE positions..... | 14,735,700 |
| Local manufactured housing communities inspections..... | 250,000 |
| Manufactured housing and land resources program—22.0 FTE positions..... | 2,749,300 |
| Property development group—11.0 FTE positions..... | 1,408,300 |
| Remonumentation grants..... | 10,000,000 |
| GROSS APPROPRIATION | \$ 50,325,000 |
| Appropriated from: | |
| Interdepartmental grant revenues: | |
| IDG from department of community health, inspection contract..... | 111,100 |
| Federal revenues: | |
| Federal funds..... | 872,300 |
| FEMA..... | 150,000 |
| DOT..... | 85,000 |

| | For Fiscal Year Ending Sept. 30, 2005 |
|---|---|
| Special revenue funds: | |
| Boiler fee revenue..... | \$ 2,460,000 |
| Construction code fund..... | 13,450,000 |
| Corporation fees..... | 5,143,000 |
| Elevator fees..... | 2,493,300 |
| Fire service fees..... | 2,100,000 |
| Homeowner construction lien recovery fund..... | 1,532,800 |
| Licensing and regulation fees..... | 8,307,100 |
| Limited liability partnership revenue..... | 10,000 |
| Manufactured housing commission fees..... | 2,364,300 |
| Property development fees..... | 253,200 |
| Rezonementation fees..... | 10,635,300 |
| Real estate appraiser continuing education fund..... | 45,000 |
| Real estate education fund..... | 217,500 |
| State general fund/general purpose..... | \$ 95,100 |
| Sec. 112. EMPLOYMENT RELATIONS | |
| Full-time equated classified positions..... | 25.0 |
| Employment and labor relations—25.0 FTE positions..... | \$ 3,306,400 |
| GROSS APPROPRIATION..... | \$ 3,306,400 |
| Appropriated from: | |
| Federal revenues: | |
| EEOC, federal funds..... | 10,000 |
| Special revenue funds: | |
| Securities fees..... | 3,238,400 |
| State general fund/general purpose..... | \$ 58,000 |
| Sec. 113. SAFETY AND REGULATION | |
| Full-time equated classified positions..... | 229.0 |
| Occupational safety and health—229.0 FTE positions..... | \$ 23,829,900 |
| GROSS APPROPRIATION..... | \$ 23,829,900 |
| Appropriated from: | |
| Federal revenues: | |
| DOL, multiple grants for safety and health..... | 11,400,100 |
| Special revenue funds: | |
| Corporate fees..... | 1,966,500 |
| Fees and collections/asbestos..... | 748,200 |
| Licensing and regulation fees..... | 1,062,200 |
| Safety education and training fund..... | 7,036,600 |
| Securities fees..... | 1,616,300 |
| State general fund/general purpose..... | \$ 0 |
| Sec. 114. BUREAU OF WORKER'S AND UNEMPLOYMENT COMPENSATION | |
| Full-time equated classified positions..... | 1,216.0 |
| Administration—96.6 FTE positions..... | \$ 8,721,700 |
| Board of magistrates and appellate commission—19.4 FTE positions..... | 2,591,700 |
| Wage and hour division—31.0 FTE positions..... | 2,381,200 |
| Insurance funds administration—28.0 FTE positions..... | 4,199,200 |
| Supplemental benefit fund..... | 1,300,000 |
| Unemployment programs—963.7 FTE positions..... | 76,928,100 |
| Advocacy assistance program—8.0 FTE positions..... | 1,500,000 |
| Expanded fraud control program—33.2 FTE positions..... | 2,789,200 |
| Special audit and collections program—34.0 FTE positions..... | 2,467,500 |
| Training program for agency staff—2.1 FTE positions..... | 1,775,100 |
| GROSS APPROPRIATION..... | \$ 104,653,700 |
| Appropriated from: | |
| Federal revenues: | |
| DOL-ETA, employment and training administration..... | 576,600 |
| DOL-ETA, unemployment insurance..... | 79,149,800 |

| | For Fiscal Year Ending Sept. 30, 2005 |
|---|---|
| Federal Reed act funds..... | \$ 4,233,500 |
| Special revenue funds: | |
| Corporation fees | 3,512,000 |
| Contingent fund, penalty and interest account | 6,588,400 |
| Licensing and regulation fees..... | 703,500 |
| Second injury fund..... | 2,262,200 |
| Securities fees..... | 3,575,300 |
| Self-insurers security fund..... | 1,068,300 |
| Silicosis and dust disease fund..... | 868,700 |
| Worker's compensation administrative revolving fund | 2,115,400 |
| State general fund/general purpose | \$ 0 |
| Sec. 115. INFORMATION TECHNOLOGY | |
| Information technology services and projects | \$ 42,159,400 |
| GROSS APPROPRIATION | <u>\$ 42,159,400</u> |
| Appropriated from: | |
| Federal revenues: | |
| DOL-ETA, unemployment insurance | 20,162,000 |
| DOL, multiple grants for safety and health..... | 188,500 |
| Federal revenues | 7,065,900 |
| Special revenue funds: | |
| Bank fees | 463,700 |
| Boiler fee revenue..... | 256,900 |
| Construction code fund..... | 1,395,100 |
| Consumer finance fees..... | 91,700 |
| Corporation fees | 1,665,900 |
| Credit union fees..... | 261,900 |
| Elevator fees | 247,000 |
| Fees and collections/asbestos..... | 11,000 |
| Insurance regulatory fees | 483,600 |
| Licensing and regulation fees..... | 1,077,700 |
| Liquor purchase revolving fund | 4,216,700 |
| Manufactured housing commission fees..... | 69,900 |
| Michigan state housing development authority fees and charges..... | 1,798,800 |
| Motor carrier fees | 93,400 |
| Public utility assessments | 750,800 |
| Safety education and training fund | 277,000 |
| Second injury fund..... | 104,000 |
| Securities fees..... | 1,392,700 |
| Self-insurers security fund..... | 37,100 |
| Silicosis and dust disease fund..... | 48,100 |
| State general fund/general purpose | \$ 0 |
| Sec. 116. WORKFORCE DEVELOPMENT | |
| Full-time equated classified positions | 878.5 |
| Employment training services—503.0 FTE positions..... | \$ 83,780,300 |
| Michigan career and technical institute—77.5 FTE positions | 11,545,600 |
| Employment services—246.0 FTE positions..... | 44,334,000 |
| Labor market information—52.0 FTE positions..... | 5,747,700 |
| GROSS APPROPRIATION | <u>\$ 145,407,600</u> |
| Appropriated from: | |
| Federal revenues: | |
| CNS | 1,585,900 |
| DAG, employment and training..... | 172,400 |
| DED-OPSE, multiple grants..... | 1,115,500 |
| 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 | 47,335,400 |

| | For Fiscal Year Ending Sept. 30, 2005 |
|---|---|
| DED-OSERS, state grants for technical related assistance..... | \$ 56,000 |
| DOL-ETA, workforce investment act | 4,077,500 |
| DED, Perkins act | 174,900 |
| DOL, federal funds | 61,821,500 |
| DOL-ODEP..... | 225,000 |
| HHS, temporary assistance for needy families | 3,207,100 |
| HHS-SSA, supplemental security income | 4,394,800 |
| Special revenue funds: | |
| Local revenue..... | 4,071,300 |
| Local vocational rehabilitation match | 3,054,000 |
| Private - gifts, bequests, and donations | 1,396,300 |
| Contingent fund, penalty and interest account | 1,710,600 |
| Rehabilitation services fees..... | 1,199,900 |
| Second injury fund..... | 51,500 |
| Student fees | 308,000 |
| Training material fees | 256,400 |
| State general fund/general purpose | \$ 8,568,500 |
| Sec. 117. CAREER EDUCATION PROGRAMS | |
| Full-time equated classified positions | 57.0 |
| Career and technical education—25.0 FTE positions | \$ 3,266,100 |
| Postsecondary education—14.0 FTE positions | 2,455,000 |
| Adult education—16.0 FTE positions | 2,304,400 |
| Commission on Spanish-speaking affairs—2.0 FTE positions | 221,000 |
| GROSS APPROPRIATION | \$ 8,246,500 |
| Appropriated from: | |
| Federal revenues: | |
| Federal revenues | 6,116,700 |
| Special revenue funds: | |
| Private occupational school license fees | 388,600 |
| Defaulted loan collection fees..... | 100,000 |
| State general fund/general purpose | \$ 1,641,200 |
| Sec. 118. DEPARTMENT GRANTS | |
| Adult basic education..... | \$ 17,000,000 |
| Carl D. Perkins grants..... | 47,500,000 |
| Focus:HOPE | 5,860,200 |
| Gear-up program grants | 3,000,000 |
| Job training programs subgrantees | 119,612,700 |
| Michigan community service commission subgrantees | 5,900,000 |
| Michigan virtual university | 1,000,000 |
| Personal assistance services | 459,500 |
| Precollege programs in engineering and the sciences..... | 680,100 |
| Vocational rehabilitation client services/facilities | 54,989,500 |
| Vocational rehabilitation independent living | 3,079,700 |
| Welfare-to-work programs | 113,798,600 |
| GROSS APPROPRIATION | \$ 372,880,300 |
| Appropriated from: | |
| Federal revenues: | |
| CNS | 5,500,000 |
| DAG, employment and training..... | 13,000,000 |
| DED-OESE, gear-up | 3,000,000 |
| DED-OSERS, centers for independent living | 450,200 |
| DED-OSERS, client assistance for individuals with disabilities | 440,000 |
| DED-OSERS, rehabilitation services, vocational rehabilitation of state grants | 35,797,900 |
| DED-OSERS, rehabilitation services facilities..... | 2,272,500 |
| DED-OSERS, supported employment | 1,541,300 |
| DED-OSERS, state grants for technical related assistance..... | 2,240,800 |

| | For Fiscal Year Ending Sept. 30, 2005 |
|--|---|
| DED-OVAE, adult education..... | \$ 17,000,000 |
| DED-OVAE, basic grants to states | 47,500,000 |
| DOL-ETA, workforce investment act | 119,602,700 |
| Federal section 903(d), SSA funds..... | 21,300,000 |
| HHS-SSA, supplemental security income | 2,480,600 |
| HHS, temporary assistance for needy families | 67,299,000 |
| Special revenue funds: | |
| Local vocational rehabilitation facilities match..... | 1,278,300 |
| Local vocational rehabilitation match | 6,630,500 |
| Private - gifts, bequests, and donations | 800,000 |
| Contingent fund, penalty and interest account | 1,000,000 |
| State general fund/general purpose | \$ 23,746,500 |
| Sec. 119. MICHIGAN STRATEGIC FUND | |
| Full-time equated classified positions | 199.0 |
| Administration—39.0 FTE positions..... | \$ 2,732,400 |
| Job creation services—160.0 FTE positions..... | 19,600,700 |
| Michigan promotion program..... | 5,717,500 |
| Economic development job training grants | 10,048,000 |
| Community development block grants | 50,000,000 |
| Technology tri-corridor: life sciences initiative..... | 30,000,000 |
| Human resources optimization user charges..... | 29,500 |
| GROSS APPROPRIATION | \$ 118,128,100 |
| Appropriated from: | |
| Interdepartmental grant revenues: | |
| IDG-MDEQ, air quality fees..... | 104,100 |
| Federal revenues: | |
| DOL-ETA, employment service | 813,600 |
| HUD-CPD, community development block grant..... | 52,200,700 |
| Special revenue funds: | |
| Private - special project advances | 853,100 |
| Industry support fees..... | 50,000 |
| Tobacco settlement revenue | 10,000,000 |
| State general fund/general purpose | \$ 54,106,600 |

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 2004-2005 is \$385,038,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2004-2005 is \$25,112,200.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF LABOR AND ECONOMIC GROWTH

| | |
|---|---------------|
| Fire protection grants..... | \$ 7,210,500 |
| Liquor law enforcement..... | 6,000,000 |
| Local manufactured housing inspections..... | 201,700 |
| Remonumentation grants..... | 10,000,000 |
| Fire fighters training council..... | 1,700,000 |
| Total department of labor and economic growth | \$ 25,112,200 |

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

Sec. 203. As used in this appropriation act:

- (a) "CEO" means chief executive officer of the Michigan economic development corporation.
- (b) "CNS" means the corporation for national services.
- (c) "DAG" means the United States department of agriculture.
- (d) "DED" means the United States department of education.
- (e) "DED-OESE" means the DED office of elementary and secondary education.
- (f) "DED-OPSE" means the DED office of postsecondary education.

- (g) "DED-OSERS" means the DED office of special education rehabilitation services.
- (h) "DED-OVAE" means the DED office of vocational and adult education.
- (i) "Department" means the department of labor and economic growth, including the Michigan strategic fund.
- (j) "Director" means the director of the department of labor and economic growth.
- (k) "DOE" means the United States department of energy.
- (l) "DOE-OEERE" means the DOE office of energy efficiency and renewable energy.
- (m) "DOL" means the United States department of labor.
- (n) "DOL-ETA" means the DOL employment and training administration.
- (o) "DOL-ODEP" means the DOL office of disability employment policy.
- (p) "DOT" means the United States department of transportation.
- (q) "DOT-RSPA" means the DOT research and special programs administration.
- (r) "EEOC" means equal employment opportunity commission.
- (s) "Fiscal agencies" means Michigan house fiscal agency and Michigan senate fiscal agency.
- (t) "FTE" means full-time equated.
- (u) "Fund" means the Michigan strategic fund.
- (v) "GED" means general education degree.
- (w) "HHS" means the United States department of health and human services.
- (x) "HHS-SSA" means HHS social security administration.
- (y) "HUD" means the United States department of housing and urban development.
- (z) "HUD-CPD" means HUD community planning and development.
- (aa) "IDG" means interdepartmental grant.
- (bb) "MDCH" means the Michigan department of community health.
- (cc) "MDEQ" means the Michigan department of environmental quality.
- (dd) "MEDC" means the Michigan economic development corporation, which is the public body corporate created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by contractual interlocal agreement effective April 5, 1999, between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund.
- (ee) "MES" means Michigan employment security.
- (ff) "Subcommittees" means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.

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

Sec. 205. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department or state classified civil service positions funded fully by federal 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, cause a loss of revenue to the state, result in the inability of the state to receive federal funds, or would necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous month and the reasons to justify the exception.

Sec. 207. At least 60 days before beginning any effort to privatize, the department shall submit a complete project plan to the subcommittees and the fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the fiscal agencies and to the subcommittees within 30 months.

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

Sec. 209. 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. Goods or services, or both, manufactured or provided by Michigan businesses shall be used if they are competitively priced and of comparable value.

Sec. 210. The director or the CEO of each department or agency receiving appropriations in part 1 is encouraged to 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 CEO will strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 211. The department shall establish and maintain affirmative action programs based on guidelines developed by the state equal opportunity workforce planning council which was created by Executive Order No. 1996-13 in order to receive general fund/general purpose dollars.

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

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

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

Sec. 216. It is the intent of the legislature that all revenue sources for funds appropriated in part 1 shall not be aggregated into general categories and shall be specifically identified and detailed as much as possible.

Sec. 217. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2005 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

REGULATORY

Sec. 301. The appropriation in part 1 for fire protection grants from the liquor purchase revolving fund and the fire protection fund shall be appropriated to cities, villages, and townships with state-owned facilities for fire services, instead of taxes, in accordance with 1977 PA 289, MCL 141.951 to 141.956.

Sec. 302. The funds collected by the office of financial and insurance services in connection with a conservatorship pursuant to section 32 of the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1682, shall be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 303. The funds collected by the department from corporations being liquidated pursuant to the insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302, shall be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 304. The department may make available to interested entities otherwise unavailable customized listings of nonconfidential information in its possession, such as names and addresses of licensees, and charge for this information as follows: base fee for 1 to 1,000 records at the cost to the department; 1,001 to 10,000 records at 2.5 cents per record; and 10,001 or more records at .5 cents per record. The revenue received from this service may be used to offset expenses of programs as appropriated in part 1. The balance of this revenue collected and unexpended

at the end of the fiscal year shall revert to the appropriate restricted revenue account or fund or, in absence of such an account or fund, to the general fund. The department shall submit an annual report on or before December 1 of each year to the state budget office and the subcommittees that states the amount of revenue received from the sale of information.

Sec. 306. The Michigan state housing development authority shall annually present a report to the state budget office and the subcommittees on the status of the authority’s housing production goals under all financing programs established or administered by the authority. The report shall give special attention to efforts to raise affordable multifamily housing production goals.

Sec. 308. The funds collected by the department for licenses, permits, and other elevator regulation fees set forth in R 408.8151 of the Michigan administrative code and as determined under section 8 of 1976 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL 408.816, that are unexpended at the end of the fiscal year shall carry forward to the subsequent fiscal year. The department shall submit a report on an annual basis to the state budget office and the subcommittees on the amount of funds available under this section.

Sec. 309. If the revenue collected by the department for occupational safety and health from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 310. Money appropriated under this act for fire safety programs shall not be expended unless, in accordance with section 2c of the fire prevention code, 1941 PA 207, MCL 29.2c, inspection and plan review fees will be charged according to the following schedule:

| <u>Operation and maintenance inspection fee</u> | |
|---|-------------------------|
| <u>Facility type</u> | <u>Facility size</u> |
| Hospitals | Any |
| <u>Plan review and construction inspection fees for hospitals and schools</u> | |
| <u>Project cost range</u> | <u>Fee</u> |
| \$101,000.00 or less | minimum fee of \$155.00 |
| \$101,001.00 to \$1,500,000.00 | \$1.60 per \$1,000.00 |
| \$1,500,001.00 to \$10,000,000.00 | \$1.30 per \$1,000.00 |
| \$10,000,001.00 or more | \$1.10 per \$1,000.00 |
| or a maximum fee of \$60,000.00. | |

Sec. 313. If the revenue collected by the department from licensing and regulation fees exceeds the amount appropriated in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 314. Funds earned or authorized by the United States department of labor in excess of the gross appropriation in part 1 for the unemployment insurance agency and the employment service agency from the United States department of labor are appropriated and may be expended for staffing and related expenses incurred in the operation of its programs. These funds may be spent after the department notifies the state budget office and the subcommittees of the purpose and amount of each grant award.

Sec. 315. The department shall sell documents at a price not to exceed the cost of production and distribution. Money received from the sale of these documents shall revert to the department. The funds are available for expenditure when they are received by the department of treasury and may only be used for costs directly related to the continued updating and distribution of the documents pursuant to this section. This section applies only for the following documents:

(a) Corporation and securities division documents, reports, and papers required or permitted by law pursuant to section 1060(5) of the business corporation act, 1972 PA 284, MCL 450.2060.

(b) The subdivision control manual, the state boundary commission operations manual, and other local government assistance manuals.

(c) The Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1101 to 436.2303.

(d) The mobile home commission act, 1987 PA 96, MCL 125.2301 to 125.2349; the business corporation act, 1972 PA 284, MCL 450.1101 to 450.2098; the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192; and the uniform securities act, 1964 PA 265, MCL 451.501 to 451.818.

(e) Labor law books.

(f) Worker’s compensation health care services rules.

(g) Construction code manuals.

(h) Copies of transcripts from administrative law hearings.

Sec. 317. The department, bureau of safety and regulation, shall provide an annual report by February 1 of each year to the state budget office, the fiscal agencies, and the subcommittees on the number of individuals killed and the number of individuals injured on the job within industries regulated by the bureau during the most recent year for which data are available.

Sec. 322. From the funds appropriated in part 1 for utility consumer representation, the department shall produce and facilitate the airing of public service announcements that inform utility customers of the availability and purpose of these funds. The utility consumer participation board shall report to the subcommittees, fiscal agencies, and state budget office by September 30 on its efforts in this area, including the amount of expenditures made for this purpose.

Sec. 326. The appropriation in part 1 for the Michigan commission for the blind includes funds for case services. These funds may be used for tuition payments for blind clients for the school year beginning September 2004.

Sec. 330. (1) The bureau of worker's and unemployment compensation shall include in the remote initial claims center (RICCS) automated phone system a choice to speak with an employee of the unemployment agency as an option. This option should be provided in the system as early as possible as deemed appropriate in the system design. The department shall monitor the system to ensure compliance with these guidelines.

(2) The bureau of worker's and unemployment compensation should continue to provide training opportunities to employees affected with the implementation of RICCS.

Sec. 332. It is the intent of the legislature that the department make every effort to hold administrative law hearings on actions initiated by the department against regulated businesses or against individuals in regulated occupations in locations that are within 150 miles of the regulated business or of the office of the individual in a regulated occupation. In addition, it is the intent of the legislature that the department make every effort to hold administrative law hearings on actions initiated by an individual outside the department in locations within 150 miles of the home of the individual bringing the action if that individual wishes to testify at the hearing.

Sec. 335. The public service commission shall report by June 1 of each year to the subcommittees, the state budget office, and the fiscal agencies on the distribution of funds appropriated in part 1 for the low-income/energy efficiency assistance program.

Sec. 336. The department shall provide the subcommittees, fiscal agencies, and state budget director with a report on or before December 1 outlining actual expenditures for the last completed fiscal year for each division within the office of financial and insurance services.

Sec. 340. The office of financial and insurance services shall provide copies of the quarterly and annual financial filings of health maintenance organizations to the fiscal agencies on a timely basis.

Sec. 347. In addition to the funds appropriated in part 1 for fire protection grants, \$3,700,000.00 shall be appropriated contingent upon enactment of House Bill No. 5313 of the 92nd Legislature and the meeting of the threshold conditions on revenue.

Sec. 349. The department and the Michigan state housing development authority shall work collaboratively with other state departments and agencies to maximize the use of available Michigan state housing development authority fund equity to provide senior assisted living that offers a continuum of care from independent apartments to assisted living to nursing care and Alzheimer programs.

Sec. 350. (1) The department shall allocate funds to promote awareness of the right of a policyholder, subscriber, member, enrollee, or other individual participating in a health benefit plan, after the covered person has exhausted the health carrier's internal grievance process provided for by law, to request an external review for an adverse determination.

(2) As used in this section, "covered person" means that term as defined in section 3 of the patient's right to independent review act, 2000 PA 251, MCL 550.1903.

Sec. 351. (1) The department shall issue a report to the subcommittees by the end of each calendar year, but not later than December 31 of each year, showing the date each real estate continuing education course was submitted for approval and the date of final disposition, approval, or denial.

(2) The department shall post on its website the approved real estate continuing education courses, as well as the dates, times, instructors, locations, course title, and credit hours of the courses.

(3) The department shall have available to the public online the prelicensure and continuing education course approvals.

(4) It is the intent of the legislature that sponsors of continuing education be able to report an applicant's or licensee's completion of courses to the department via electronic methods.

Sec. 352. From the funds appropriated in part 1 for unclassified salaries, the department shall provide funding for 5 worker's compensation appellate commissioners and 26 worker's compensation board of magistrates. Expenditures shall be made so that the 2 bodies shall decide worker's compensation cases in a timely manner.

Sec. 353. (1) The department shall prepare a detailed report and deliver it to the subcommittees not later than January 15, 2005.

(2) The report shall contain input from a delegate appointed from and by the following organizations:

- (a) Michigan fire chiefs association.
- (b) Michigan state fireman's association.
- (c) Michigan firefighter's union.
- (d) Michigan fire service instructors association.
- (e) Michigan fire inspectors society.
- (f) Michigan chapter of the international association of arson investigators.

(3) The report prepared pursuant to subsection (1) shall contain information about the quality and adequacy of service from the state fire investigation, education, and training under the reorganization of the fire marshal division responsibilities. The report shall be based on the performance of the fire marshal division in the performance of its fire safety duties during fiscal year 2003-2004.

Sec. 356. It is the intent of the legislature that the Michigan commission for the blind work collaboratively with service organizations to identify qualified match dollars to maximize use of available federal funds.

Sec. 357. If there is insufficient funding in part 1 for remonumentation grants to meet the programmatic needs, the department is encouraged to request additional authorization through the legislative process.

Sec. 358. The real estate education fund created in section 37 of the state license fee act, 1979 PA 152, MCL 338.2237, and administered by the department shall allow prelicensure and postlicensure education to be delivered through on-line courses by a community college, university, or private school, after licensure and approval by the department. Expenditures from this fund may also be made to support department grants for educational providers to establish on-line courses that would be made available to students throughout the year.

Sec. 360. The department shall create a tracking system for real estate license continuing education credits that would allow the licensee to ascertain the number of approved course credits that the licensee has completed.

Sec. 361. In addition to the amounts appropriated in part 1 for the administration of the land bank fast track authority, the authority may expend revenues received under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, for the purposes authorized by the act including, but not limited to, the acquisition, lease, management, demolition, maintenance, or rehabilitation of real or personal property, payment of debt service for notes or bonds issued by the authority, and other expenses to clear or quiet title property held by the authority.

Sec. 362. (1) Of the funds appropriated in part 1 for the department, \$200,000.00 may be used for administration and enforcement of boxing regulation in Michigan.

(2) It is the intent of the legislature that any additional responsibilities associated with the administration and enforcement of boxing regulation be accompanied by the passage and statutory changes that would provide an adequate fee structure to support those activities within the department.

Sec. 363. It is the intent of the legislature that the next vacancy on the worker's compensation board of magistrates be filled by an individual that is a permanent resident in the Upper Peninsula.

Sec. 364. The department shall provide a report to the chairs of the appropriation subcommittees on labor and economic growth by January 1 on the total administrative costs allocated for the broadband development authority. These costs should include all staffing and other related costs associated with contracts. The report shall also include any payments to date for reimbursement to the Michigan state housing development authority. If no payments have been made, then the report shall include a detailed plan outlining the reimbursement schedule.

WORKFORCE AND CAREER DEVELOPMENT

Sec. 401. The Michigan career and technical institute may receive equipment and in-kind contributions for the direct support of staff services through the Pine Lake fund, the Delton-Kellogg school district or other local or intermediate school district, or any combination of local or intermediate school districts in addition to those authorized in part 1.

Sec. 402. The Michigan rehabilitation service shall make every effort to ensure that all sources of matching funds in this state are used to obtain federal vocational rehabilitation funds. All sources include, but are not limited to, privately raised funds to support public nonprofit rehabilitation centers as permitted by the rehabilitation act of 1973, Public Law 93-112, 29 USC 701 to 718, 720 to 751, 760 to 765, 771 to 776, 780 to 785, 791 to 794e, 795 to 795n, and 796 to 796l.

Sec. 403. The local match requirements for vocational rehabilitation facilities establishment grants shall not exceed 21.3% for the fiscal year ending September 30.

Sec. 404. (1) Of the funds appropriated in part 1 for vocational rehabilitation independent living, all general fund/general purpose revenue not used to match federal funds shall be used for the support of centers for independent living which are in compliance with federal standards for such centers, for the development of new centers in areas presently unserved or underserved, for technical assistance to centers, and for projects to build capacity of centers to deliver independent living services. Applications for such funds shall be reviewed in accordance with criteria and procedures established by the statewide independent living council, the Michigan rehabilitation services unit within the department, and the Michigan commission for the blind. Funds must be used in a manner consistent with the priorities established in the state plan for independent living. The department is directed to work with the Michigan association of centers for independent living and the local workforce development boards to identify other competitive sources of funding.

(2) The statewide independent living council and the Michigan association of centers for independent living shall jointly produce a report providing the following information:

(a) Results in terms of enhanced statewide access to independent living services to individuals who do not have access to such services through other existing public agencies, including measures by which these results can be monitored over time. These measures shall include:

(i) Total number of persons assisted by the centers and a comparison to the number assisted in the previous year.

(ii) Number of persons moved out of nursing homes into independent living situations and a comparison to the number assisted in the previous year.

(iii) Number of persons for whom accommodations were provided to enable independent living or access to employment and a comparison to the number assisted in the previous year.

(iv) The total number of disabled individuals served by personal care attendants and the number of personal care attendants provided through the use of any funds appropriated in part 1 administered by a center for independent living and a comparison to the number served in the previous year.

(b) Information from each center for independent living receiving funding through appropriations in part 1 detailing their total budget for their most recently completed fiscal year as well as the amount within that budget funded through the vocational rehabilitation independent living grant program referenced in part 1, the total amount funded through other state agencies, the amount funded through federal sources, and the amount funded through local and private sources.

(c) Savings to state taxpayers in other specific areas that can be shown to be the direct result of activities funded from the vocational rehabilitation independent living grant program during the most recently completed state fiscal year.

(3) The report required in subsection (2) shall be submitted to the subcommittees, the fiscal agencies, and the state budget director on or before January 30.

Sec. 405. (1) The appropriation in part 1 to the department for the work first program shall be expended for grants which provide employment and training services to family independence program applicants and recipients and may be expended for grants that 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 school district, intermediate school district, community college, public or private nonprofit college or university, nonprofit organization that provides school-to-work transition programs or that provides employment and training services or vocational rehabilitation programs or state licensed accredited vocational or technical education programs, proprietary school licensed by the state board of education, local workforce development board, or a consortium consisting of any combination of school districts, intermediate school districts, community colleges, nonprofit organizations described in this subsection, licensed proprietary schools, or public or private nonprofit colleges or universities described in this subsection.

(3) 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. The department shall encourage the Michigan works! agencies to consider transportation challenges for work first participants placed in employment. When an individual is re-referred to work first because of an inability to retain employment, the Michigan works! agencies shall confer with the Michigan rehabilitation services, the family independence agency, or other professionals if considered appropriate by the Michigan works! agency to screen for and identify issues that are preventing the participant from succeeding in the labor market. Each Michigan works! agency shall determine locally the number of times an individual may be re-referred back to the program before consulting with other service agencies. If no prohibitive barriers to work are found, the individual shall comply with the work first program, or be subject to appropriate penalties.

(4) Work first program participants shall include 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 submitted under this section.

(5) Participants in the work first program shall not be enrolled and counted in membership in a school district or intermediate school district.

(6) The department will work with the 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 work requirements.

(8) The department shall make every effort to place a minimum of 50% of clients who participate in the work first program in positions that provide wages of \$8.00 per hour or more.

(9) The department shall submit to the fiscal agencies and the state budget director by March 15 a report on the work first program, including the number of participants served under this section, the number of persons who located employment through work first, the average wage of participants who found employment, the number of persons who retained jobs for 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) 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.

(11) The department shall make available to work first participants guidelines on eligibility for postemployment training and how training/education hours are applied toward work participation requirements. These guidelines will be presented during joint orientation conducted by the family independence agency and the department contracted staff in accordance with department policy issuances and family independence agency program bulletins. These guidelines presented by the department and the family independence agency 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 to continue in a training/education component.

(12) The work participation requirement is up to 40 hours per week. However, work first participants may meet the work participation requirement by 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. 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 designed to lead to immediate labor force attachment.

(13) Work first participants may meet the work participation requirement through enrollment in a short-term vocational program requiring 30 hours of classroom seat time per week for a period not to exceed 6 months, or by enrollment in full-time internships, practicums, or clinicals required by an academic or training institution for licensure, professional certification, or degree completion, without an additional work requirement. In cases where a short-term vocational program lasts less than 6 months, the participant shall be eligible to enroll in 1 additional short-term vocational program for a combined period not to exceed a total of 6 months.

(14) Work first participants who lack a high school diploma or GED and who enroll in high school completion or classes to obtain a GED may count up to 10 hours of classroom seat time, combined with a minimum number of hours of work per week, to meet their work participation requirement. There shall be no time limit on high school completion. GED preparation shall be limited to 6 months.

(15) The department shall convene a work group to review and recommend available options for providing increased flexibility regarding the education requirements as outlined in this act.

Sec. 406. (1) Using all relevant state data sources, the department shall conduct a 3-year longitudinal study of all former work first participants, whose family independence program cases closed due to earnings during fiscal year 1999 and in succeeding fiscal years. The data will include the following:

(a) The number and percentage employed.

(b) The average hourly wage of those employed.

(c) The current hourly wage of those employed.

(d) The range of wages earned by those employed.

(e) The number of individuals that earned each wage amount.

(f) The number and percentage receiving health care benefits from their employer.

(g) The number and percentage receiving tuition reimbursement from their employer.

(h) The number and percentage receiving training benefits from their employer.

(i) The type of jobs obtained by former participants in general categories.

(j) The length of time former participants have retained their jobs, or if participants have had more than 1 job, the length of time employed at each job.

(k) The number and percentage continuing to receive any type of public assistance.

(l) If the former recipient has children, whether the children are enrolled in and attending school.

(m) The extent to which the former participant feels that they and their family are better off now than when they were on cash assistance with regard to household income, housing, food and nutritional needs, child health care, and access to health insurance coverage.

(2) The department shall notify the subcommittees, fiscal agencies, and state budget director electronically by March 15, 2004 of the location of the Internet site where the report containing the identified data is located.

(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. 407. State and federal funds allocated to local workforce development boards for disbursement shall not be expended unless the local workforce development boards maintain a partnership with governmental agencies, public school districts, and public colleges located within the local service delivery area. Each board shall appoint an education advisory group made up of high-level administrators within local educational institutions, workforce development board members, other employers, labor, academic educators, and parents of public school pupils.

Sec. 409. (1) Of the funds appropriated in part 1 for precollege programs in engineering and the sciences, \$340,050.00 shall be provided in the form of a grant to the Detroit precollege engineering program, incorporated and \$340,050.00 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 subcommittees and the fiscal agencies by February 1 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. 410. (1) The department shall have at least 1 disabled veterans outreach program specialist or local veterans employment representative present, at each Michigan works! service center on a full- or part-time basis during hours of operation.

(2) The department shall ensure that each Michigan works! service center shall have the necessary equipment to allow the disabled veterans outreach specialist or local veterans employment representative to perform his or her duties in the same manner they were performed prior to February 1, 1999.

(3) The department shall require each Michigan works! service center 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! service center shall have posted in a conspicuous place within the office a notice advising veterans that a disabled veterans outreach program specialist or a local veterans employment representative is available to assist him or her.

(5) The department shall require each Michigan works! service center to provide free mediated services to employers wishing to hire a veteran.

(6) The department shall continue to make the appropriate placement of veterans and disabled veterans a priority.

Sec. 414. The department may carry into the succeeding fiscal year unexpended federal pass-through funds to local institutions and governments that do not require additional state matching funds. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 and that do not require additional state matching funds are appropriated for the purposes intended.

Sec. 415. Of the amounts appropriated in part 1 for postsecondary education, private occupational school license fees shall fund related administrative costs of the proprietary schools oversight unit within the department.

Sec. 417. The department is appropriated an amount not to exceed \$100,000.00 from collection of defaulted loans under the future faculty program in the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks programs to offset costs of administering the loan collections.

Sec. 418. From the funds appropriated in part 1 for postsecondary education, the department shall compile data from each university that receives funding for the future faculty program within the King-Chavez-Parks initiative on employment outcomes for program participants. The report shall be distributed to the house and senate appropriations committees, the fiscal agencies, and the state budget office by February 1 of each year. The report shall include data from each participating university covering the most recently completed fiscal year. The data shall include all of the following:

(a) The number of participants receiving support under the program.

(b) The number of participants obtaining full-time employment.

(c) The number of participants obtaining full-time employment in college faculty positions.

(d) The number of participants obtaining full-time employment in college faculty positions within the university through which they received future faculty program support for graduate studies.

Sec. 420. 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. 421. The King-Chavez-Parks initiative shall be marketed by the department to Michigan parents and high school and college students, to promote the benefits and the availability of the college day, select student support services, college/university partnership, visiting professors, Morris Hood, Jr. educator development, and future faculty programs. The department shall provide electronic notification of the location of the report on the Internet to the subcommittees on December 30, 2004, identifying all efforts taken to market these programs, including, but not limited to, the amount of funding allocated for this purpose, the fund source and any expenditures or encumbrances relating to

this marketing effort. It is 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 and consistent with all boilerplate language pertaining to the above listed programs as included in the appropriations act for higher education institutions.

Sec. 425. The department shall work cooperatively with the department of civil service to identify state employees who will lose their jobs as a result of an agency or program being reorganized, modified, or eliminated and shall develop training programs and provide training to these individuals that will provide them an opportunity and skills necessary to secure new employment within state government or the private sector. It shall be a priority of the department to provide training and employment opportunities to these individuals through their employment service locations.

Sec. 426. From the funds appropriated in part 1 to 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. 428. From the funds appropriated in part 1 for the Michigan virtual university, \$1,000,000.00 of general fund/general purpose funding shall be allocated to support general operations and operation of the Michigan virtual high school as described in section 98 of the state school aid act of 1979, 1979 PA 94, MCL 388.1698.

Sec. 429. (1) Focus: HOPE shall submit a report on the use of the grant's funds appropriated in part 1 to the chairs of the subcommittees, the fiscal agencies, and the state budget office that includes, but is not limited to, the following:

- (a) Detailed expenditures for administration including salaries and wages of employees.
 - (b) Amount allocated for education and training programs including number of students served by each program.
 - (c) Amount allocated for job search assistance and career planning including the number of students served by each program.
 - (d) Detailed expenditures for any contracts entered into with the use of these funds.
 - (e) Detailed expenditures for any program enhancements including number of new hires and capital expenditures.
- (2) The report shall be submitted on or before January 31.

Sec. 430. (1) The following work project accounts totaling \$11,300,000.00 are hereby canceled effective September 30, 2004:

| | |
|---|-------------------|
| (a) 08230 AY 2002 Welfare-to-work programs..... | \$ 10,180,000.00. |
| (b) 08203 AY 2002 Job training programs | \$ 620,000.00. |
| (c) 04000 AY 2002 Employment services | \$ 500,000.00. |

(2) The following work project account is hereby reduced for the fiscal year ending September 30, 2004:

| | |
|--|-------------------|
| 02000 AY 2002 Unemployment programs..... | \$ 10,000,000.00. |
|--|-------------------|

(3) Of the amount in subsection (1), \$5,300,000.00 is appropriated to welfare-to-work programs for the fiscal year ending September 30, 2005. After that appropriation, \$6,000,000.00 is appropriated to job training program subgrantees for the fiscal year ending September 30, 2005. In the event that the work projects in subsection (1) total more than \$11,300,000.00, any funds over that amount are appropriated to the welfare-to-work programs for the fiscal year ending September 30, 2005.

(4) Of the amount in subsection (2), \$10,000,000.00 is appropriated to welfare-to-work programs for the fiscal year ending September 30, 2005.

(5) The amounts specified in subsections (3) and (4) for the welfare to work programs and job training programs subgrantees under section 903(d) of title IX of the social security act, chapter 531, 116 Stat. 31, 42 USC 1103, are appropriated to the department to support job search and job readiness activities and to support 1-stop center operations.

MICHIGAN STRATEGIC FUND

Sec. 501. (1) The appropriation in part 1 to the fund for economic development job training shall be expended in 2 categories: the business response program for employee training grants which maintain or attract permanent jobs for Michigan residents and the manufacturing competitiveness program for grants to fund collaborative efforts which increase the competitiveness of multiple companies within a grant. The business response program is allocated up to \$6,524,000.00, and the manufacturing competitiveness program is allocated up to \$3,524,000.00 not to exceed the part 1 appropriation for this program in its entirety. The fund has the authority to reallocate these amounts during the fiscal year dependent on business demand and economic conditions.

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

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

(4) Of the total funds appropriated in part 1 for economic development job training grants, at least 75% of the funds shall be awarded to community colleges or a consortium of community colleges and other eligible applicants pursuant to subsection (5).

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

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

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

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

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

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

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

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

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

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

(b) Creation and/or retention of high wage and high skilled level jobs.

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

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

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

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

(11) For training delivered to incumbent workers under the business response program, the business receiving the benefit of the training shall provide a minimum of 20% of the program costs in matching funds as necessitated by the program. For training delivered under the manufacturing competitiveness program, the business receiving the benefit of the training shall provide a minimum of 30% of the program costs in matching funds as necessitated by the program.

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

(13) A recipient of a grant under this section shall allow the fund or the agency's designee to audit all records related to the grant for all entities that receive money, either directly or indirectly through a contract, from the grant funds. A grant recipient or contractor shall reimburse the state for all disallowances found in the audit.

(14) The fund shall provide to the state budget director and the fiscal agencies by May 1 and November 1 of each year a report on the economic development job training grants. The report due by May 1 shall provide the information described in this subsection for each grant or contract awarded during the preceding 2 quarters of the state fiscal year. The report due by November 1 shall provide this information for each grant or contract awarded during the preceding full fiscal year. The report shall contain all of the following:

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

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

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

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

(15) Of the funds appropriated in part 1 for economic development job training grants, the fund shall not use these funds to finance the startup or in any way subsidize any private distributor of liquor products in Michigan.

(16) As a condition of receiving funds under part 1 of this 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.

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

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

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

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

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

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

Sec. 502. Travel Michigan may establish and collect a fee to cover the cost of materials and processing of photographic prints, slides, videotapes, and travel product database information that are requested by the media and other segments of the public and private sectors. The fees collected shall be appropriated for all expenses necessary to purchase and distribute these photographic prints, slides, videotapes, and travel product database information. The funds are available for expenditure when they are received by the department of treasury.

Sec. 504. Travel Michigan may receive and expend private revenue related to the use of the "Michigan Great Lakes. Great Times." copyrighted slogan and image. This revenue may come from the direct licensing of the name and image or from the royalty payments from various merchandise sales. Revenue collected is appropriated for the marketing of the state as a travel destination. The funds are available for expenditure when they are received by the department of treasury.

Sec. 506. The fund shall submit on or before May 1 and November 1 to the subcommittees, state budget office, and the fiscal agencies a listing of all grants which have been awarded by the fund or by the Michigan economic development corporation from the funds appropriated in part 1. The list shall include all of the following:

(a) The name of the recipient.

(b) The amount awarded to the recipient.

(c) The purpose of the grant.

Sec. 507. (1) The fund shall provide reports to the relevant subcommittees, the state budget director, and the fiscal agencies concerning the activities of the Michigan economic development corporation grants and investment programs financed from the fund using investment or Indian gaming revenues. The report shall provide a list of individual grants and loans made from the fund. The report shall include, but not be limited to, the following programs funded in part 1:

(a) Travel Michigan.

(b) Michigan business development.

(c) Global business development.

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

(e) Community development block grants.

(f) Strategic fund administration.

(g) Renaissance zones.

(h) Emerging business sectors and roundtables.

(i) Business and clean air ombudsman.

(j) Economic development job training grants.

(k) Community assistance team.

(l) Technology tri-corridor.

(m) Any other programs of the fund.

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

Sec. 508. 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. 509. (1) Of the funds appropriated to the fund or through grants to the Michigan economic development corporation, no funds shall be expended for the purchase of options on land or the purchase of land unless at least 1 of the following conditions applies:

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

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

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

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

Sec. 510. (1) From the funds appropriated in part 1 for the technology tri-corridor: life sciences initiative, \$30,000,000.00 is appropriated for the life sciences initiative. All funding for the areas of homeland security and automotive initiative shall be funded from the Indian casino revenue or other federal sources. The program shall be administered by the Michigan economic development corporation.

(2) A technology tri-corridor steering committee, appointed by the governor, shall consist of 19 members including the CEO, the director, the state treasurer, a member from Michigan State University, the University of Michigan, Wayne State University, Western Michigan University, and the Van Andel Institute, 2 members representing the legislature, 1 of whom is chosen by the speaker of the house of representatives and 1 of whom is chosen by the majority leader of the senate, and 2 members actively engaged in each of the 3 targeted business sectors. The remaining members shall be appointed at large and may include members from the private sector, public sector, or other Michigan universities. Committee members are authorized to designate alternate members. The purpose of the steering committee is to provide advice and oversight of the initiative, including the development of criteria for the awards to qualifying universities, institutions, companies, or individuals. The steering committee will make decisions regarding distribution of these funds.

(3) Of the funds appropriated, \$1,500,000.00 shall be allocated to a private research institute that has received a specific federal appropriation prior to 2005 for the creation of a good manufacturing practice facility. The facility shall be used for the production of drugs approved for use in clinical trials, as approved by the United States Food and Drug Administration and shall work to market the core technology alliance for the purposes of commercialization and providing access to advanced technologies to researchers affiliated with universities, private research institutes, and biotech or pharmaceutical firms. It is the intent of the legislature that \$1,500,000.00 shall be made available for these purposes in fiscal years 2006 and 2007.

(4) Of the funds appropriated, up to \$2,500,000.00 may be used for administering the life sciences initiative including the monitoring of previous years' awards. Not more than \$5,000,000.00 shall be used to support a competitive business commercial development fund to support business commercialization research opportunities in Michigan. In allocating funding to the business commercial development fund, the steering committee shall give maximum priority to supporting all potential commercialization opportunities that appear to have merit. Of the remaining funds appropriated for the life sciences initiative, 55% are 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. In addition, 45% of the remaining appropriated funds for the life sciences initiative are earmarked for a collaborative research fund to support peer-reviewed collaborative grants among Michigan universities and/or private research facilities, with emphasis on research testing or developing emerging discoveries.

(5) Repayment of any funds received as a result of awards made under 1999 PA 120, 2000 PA 292, 2001 PA 80, 2002 PA 517, 2003 PA 169, or this act including, but not limited to, funds received as interest or return on investment shall be deposited in the business commercial development fund. These funds are authorized for expenditure upon receipt and shall not lapse to the general fund.

(6) The records of steering committee involving a proposal submitted by an eligible entity that are of a scientific, technical, or proprietary nature, the release of which could cause competitive harm to the eligible entity as determined by the steering committee, are exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

Sec. 511. 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. 512. (1) From the general fund/general purpose appropriations in part 1 to the fund and granted or transferred to the Michigan economic development corporation, any unexpended or unencumbered balance shall be disposed of in accordance with the requirements in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, unless carryforward authorization has been otherwise provided for.

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

Sec. 513. As a condition of receiving funds under part 1, the fund shall ensure that the MEDC and the fund comply with all of the following:

- (a) The freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.
- (b) The open meetings act, 1976 PA 267, MCL 15.261 to 15.275.
- (c) Annual audits of all financial records by the auditor general or his or her designee.
- (d) All reports required by law to be submitted to the legislature.
- (e) If the MEDC is unable for any reason to perform duties under this act, the fund may exercise those duties.

Sec. 514. As a condition for receiving the appropriations in part 1, any staff of the Michigan economic development corporation involved in private fund-raising activities shall not be party to any decisions regarding the awarding of grants or tax abatements from the fund, the Michigan economic development corporation, or the Michigan economic growth authority.

Sec. 515. (1) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination thereof or interest thereon, originally distributed as part of the core communities fund, shall be received, held, and applied by the fund for the purposes described in this act.

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

Sec. 518. (1) The funding appropriated in part 1 of 2000 PA 291 for the Michigan core communities fund may be used to create an urban revitalization infrastructure program in the fund for economic development awards to create new jobs or contribute to redevelopment and encourage private investment in core communities.

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

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

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

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

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

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

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

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

- (a) Land sited for use as, or support for, a gaming facility.
- (b) Land or other facilities owned or operated by a gaming facility.
- (c) Publicly owned land or facilities which may directly or indirectly support a gaming facility.

Sec. 519. It is the intent of the legislature that the members of the executive committee of the corporation board of the MEDC be subject to the advice and consent of the senate.

Sec. 521. Up to \$100,000.00 from Indian casino revenue or other available resources, or both, shall be spent to create and administer a state clearinghouse on entrepreneurship available to the public through the Internet.

Sec. 522. Of the funds appropriated in part 1 of the Michigan strategic fund unit, administration line, \$100,000.00 in general fund/general purpose shall be used to conduct a feasibility study on the creation of a Michigan center for excellence. The purpose of the center is to provide federal grant and procurement assistance in order to expand Michigan's opportunities to compete for and procure federal research and development grant funds and other defense contracts. The study or a status report on the study shall be made available to the chairpersons of the appropriations subcommittees on labor and economic growth no later than May 1.

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

A bill to make appropriations for the department of labor and economic growth, the Michigan strategic fund, and certain other state purposes for the fiscal year ending September 30, 2005; 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.

Marc Shulman
Glenn Steil, Jr.
Gretchen Whitmer
Conferees for the House

Valde Garcia
Thomas M. George
Michael Prusi
Conferees for the Senate

Pending the order that, under joint rule 9, the conference report be laid over one day, Senator Hammerstrom moved that the rule be suspended. The motion prevailed, a majority of the members serving voting therefor. The question being on the adoption of the conference report, Senator Hammerstrom moved that further consideration of the bill be postponed temporarily. The motion prevailed.

House Bill No. 5522, entitled

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2005; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

The House of Representatives has adopted the report of the Committee of Conference. The Conference Report was read as follows:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning **House Bill No. 5522, entitled**

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2005; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

Recommends:

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

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

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2005; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of military and veterans affairs for the fiscal year ending September 30, 2005, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

APPROPRIATION SUMMARY:

| | | |
|--|---------|----------------|
| Full-time equated unclassified positions | 7.0 | |
| Full-time equated classified positions | 1,016.0 | |
| GROSS APPROPRIATION | | \$ 110,713,400 |

| | For Fiscal Year Ending Sept. 30, 2005 |
|--|---|
| Interdepartmental grant revenues: | |
| Total interdepartmental grants and intradepartmental transfers | \$ 1,042,500 |
| ADJUSTED GROSS APPROPRIATION | \$ 109,670,900 |
| Federal revenues: | |
| Total federal revenues | 45,418,100 |
| Special revenue funds: | |
| Total local revenues | 0 |
| Total private revenues | 1,282,300 |
| Total other state restricted revenues | 25,599,800 |
| State general fund/general purpose | \$ 37,370,700 |
| Sec. 102. HEADQUARTERS AND ARMORIES | |
| Full-time equated unclassified positions | 7.0 |
| Full-time equated classified positions | 124.0 |
| Headquarters and armories—83.5 FTE positions | \$ 9,562,200 |
| Human resources optimization user charge | 29,500 |
| Unclassified military personnel | 660,300 |
| Military appeals tribunal | 900 |
| Michigan emergency volunteers | 5,000 |
| State active duty | 70,100 |
| Challenge program—40.5 FTE positions | 3,901,200 |
| Homeland security | 400,000 |
| GROSS APPROPRIATION | \$ 14,629,200 |
| Appropriated from: | |
| Interdepartmental grant revenues: | |
| IDG, community health | 100,000 |
| IDG, challenge grant | 242,500 |
| IDG, state police | 300,000 |
| IDG, family independence agency | 400,000 |
| Federal revenues: | |
| DOD-DOA-NGB | 3,985,100 |
| Special revenue funds: | |
| Rental fees | 350,000 |
| Mackinac Bridge authority | 40,000 |
| Private donations | 857,300 |
| State general fund/general purpose | \$ 8,354,300 |
| Sec. 103. MILITARY TRAINING SITES AND SUPPORT FACILITIES | |
| Full-time equated classified positions | 200.0 |
| Military training sites and support facilities—200.0 FTE positions | \$ 17,478,200 |
| Military training sites and support facilities test projects | 100,000 |
| GROSS APPROPRIATION | \$ 17,578,200 |
| Appropriated from: | |
| Federal revenues: | |
| DOD-DOA-NGB | 14,693,600 |
| Special revenue funds: | |
| Test project fees | 100,000 |
| State general fund/general purpose | \$ 2,784,600 |
| Sec. 104. DEPARTMENTWIDE APPROPRIATIONS | |
| Departmentwide accounts | \$ 1,735,000 |
| Special maintenance - state | 151,200 |
| Special maintenance - federal | 5,300,000 |
| Military retirement | 2,676,000 |
| Counternarcotic operations | 50,000 |
| Starbase grant | 600,000 |
| GROSS APPROPRIATION | \$ 10,512,200 |
| Appropriated from: | |
| Federal revenues: | |
| DOD-DOA-NGB | \$ 7,166,100 |
| Federal counternarcotic revenues | 50,000 |
| State general fund/general purpose | \$ 3,296,100 |

For Fiscal Year
Ending Sept. 30,
2005

Sec. 105. VETERANS SERVICE ORGANIZATIONS

| | | |
|---|-----------|------------------|
| American legion..... | \$ | 886,000 |
| Disabled American veterans | | 732,400 |
| Marine corps league..... | | 336,300 |
| American veterans of World War II and Korea..... | | 464,800 |
| Veterans of foreign wars | | 886,000 |
| Michigan paralyzed veterans of America | | 165,700 |
| Purple heart..... | | 157,900 |
| Veterans of World War I..... | | 100 |
| Polish legion of American veterans | | 41,200 |
| Jewish veterans of America..... | | 41,200 |
| State of Michigan council - Vietnam veterans of America | | 159,500 |
| Catholic war veterans..... | | 41,200 |
| GROSS APPROPRIATION | \$ | 3,912,300 |

Appropriated from:

| | | |
|--|----|-----------|
| State general fund/general purpose | \$ | 3,912,300 |
|--|----|-----------|

Sec. 106. GRAND RAPIDS VETERANS' HOME

| | | |
|---|-----------|-------------------|
| Full-time equated classified positions | 517.0 | |
| Grand Rapids veterans' home—517.0 FTE positions | \$ | 43,753,300 |
| Board of managers | | 300,000 |
| GROSS APPROPRIATION | \$ | 44,053,300 |

Appropriated from:

Federal revenues:

| | | |
|---------------------|--|------------|
| DVA-VHA | | 13,626,400 |
| HHS, Medicaid | | 365,300 |
| HHS, Medicare | | 718,000 |

Special revenue funds:

| | | |
|--|----|------------|
| Private - veterans' home post and posthumous funds | | 300,000 |
| Income and assessments..... | | 15,337,500 |
| Lease revenue | | 34,100 |
| State general fund/general purpose | \$ | 13,672,000 |

Sec. 107. D.J. JACOBETTI VETERANS' HOME

| | | |
|---|-----------|-------------------|
| Full-time equated classified positions | 159.0 | |
| D.J. Jacobetti veterans' home—159.0 FTE positions | \$ | 13,600,000 |
| Board of managers..... | | 125,000 |
| GROSS APPROPRIATION | \$ | 13,725,000 |

Appropriated from:

Federal revenues:

| | | |
|---------------------|--|-----------|
| DVA-VHA | | 4,062,800 |
| HHS, Medicare | | 272,600 |
| HHS, Medicaid | | 34,600 |

Special revenue funds:

| | | |
|--|----|-----------|
| Private - veterans' home post and posthumous funds | | 125,000 |
| Income and assessments..... | | 4,595,000 |
| State general fund/general purpose | \$ | 4,635,000 |

Sec. 108. VETERANS' AFFAIRS DIRECTORATE

| | | |
|---|-----------|------------------|
| Full-time equated classified positions | 16.0 | |
| Veterans' affairs directorate administration—3.0 FTE positions..... | \$ | 302,900 |
| Veterans' trust fund administration—13.0 FTE positions | | 1,081,800 |
| Veterans' trust fund grants | | 3,746,500 |
| GROSS APPROPRIATION | \$ | 5,131,200 |

Appropriated from:

Special revenue funds:

| | | |
|--|----|-----------|
| Michigan veterans' trust fund..... | \$ | 4,828,300 |
| State general fund/general purpose | \$ | 302,900 |

For Fiscal Year
Ending Sept. 30,
2005

Sec. 109. INFORMATION TECHNOLOGY

| | |
|--|---------------------|
| Information technology services and projects | \$ 1,172,000 |
| GROSS APPROPRIATION | \$ 1,172,000 |
| Appropriated from: | |
| Federal revenues: | |
| DOD-DOA-NGB | 157,800 |
| DVA-VHA | 277,600 |
| HHS, Medicare | 8,200 |
| Special revenue funds: | |
| Income and assessments | 314,900 |
| State general fund/general purpose | \$ 413,500 |

**PART 2
PROVISIONS CONCERNING APPROPRIATIONS**

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2004-2005 is \$62,970,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2004-2005 is \$120,000.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
MILITARY TRAINING SITES AND SUPPORT FACILITIES**

| | |
|--|-------------------|
| Payments in lieu of taxes | \$ 70,000 |
| MICHIGAN VETERANS' TRUST FUND | |
| County counselor travel expenses | \$ 50,000 |
| TOTAL | \$ 120,000 |

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

Sec. 203. As used in this act:

- (a) "Department" means the department of military and veterans affairs.
- (b) "Director" means the director of the department of military and veterans affairs.
- (c) "DOD" means the United States department of defense.
- (d) "DOD-DOA-NGB" means the DOD department of the army, national guard bureau.
- (e) "DVA" means the United States department of veterans' affairs.
- (f) "DVA-VHA" means the DVA veterans' health administration.
- (g) "FTE" means full-time equated.
- (h) "HHS" means the United States department of health and human services.
- (i) "IDG" means interdepartmental grant.

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

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

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

Sec. 207. Sixty days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 30 months.

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

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

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

Sec. 211. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow all federal guidelines and state laws regarding short-term and long-term retention of records.

Sec. 212. (1) Of the funds appropriated in section 103 for military training sites and support facilities, there shall be established a Michigan national guard education assistance program. Disbursements to the educational assistance program shall not exceed \$1,300,000.00 without legislative approval. Under the program, a member of the national guard who is in active service and who enrolls as a full- or part-time student at a public or private state college or university may be eligible to receive up to an equivalent of 50% of the total cost of tuition not to exceed \$2,000.00, as education assistance, in any academic year.

(2) As used in this section, an eligible person means a member of the Michigan national guard who is in active service, as defined in section 105 of the Michigan military act, 1967 PA 150, MCL 32.505. An eligible person does not include a member of the Michigan national guard or air national guard who is absent without leave or who is under charges as described in the Michigan code of military justice of 1980, 1980 PA 523, MCL 32.1001 to 32.1148.

(3) The department of military and veterans affairs, office of the adjutant general shall administer the education assistance program and prescribe forms and procedures to effectively carry out the education assistance program.

(4) An eligible person shall apply to the department of military and veterans affairs, office of the adjutant general for education assistance and shall provide evidence of attendance and completion of the course of study with a grade of at least 2.0 on a 4.0 scale, or its equivalent. The adjutant general shall approve the application for reimbursement if the applicant meets the definition of an eligible person under subsection (2) and other criteria as established by the adjutant general.

(5) The education assistance program applies to any course of instruction that is included in an associate, undergraduate, or postgraduate degree program offered by a college or university of this state.

(6) The education assistance program applies to an eligible person notwithstanding any other educational incentive or benefit received by the eligible person under any other educational assistance program provided by any other state.

(7) An eligible person who successfully completes the course of study with a grade of at least 2.0 on a 4.0 scale, or its equivalent, shall be eligible for reimbursement.

(8) The department of military and veterans affairs may use funds from the appropriated funds to administer the education assistance program.

(9) Reimbursed members who do not complete their national guard obligation shall pay the state for money received from the state for tuition. Members who fail to repay the state within the time limits established by the adjutant general shall be indebted to the state. The department shall work in conjunction with the department of treasury for inclusion in the tax intercept program for amounts due the state.

(10) A portion of the funds for the Michigan national guard education assistance program may be used by the department for the purpose of promoting the program and for encouraging those persons the department wishes to have enlist or reenlist in the Michigan national guard.

Sec. 213. The department shall consult with the house and senate appropriations subcommittees on military and veterans affairs regarding the projected closing or consolidation of any national guard armories.

Sec. 214. It is the intent of the legislature that, should the necessary legislation be enacted and funding become available, funds be appropriated for state military cemeteries in Crawford and Dickinson Counties.

Sec. 221. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology-related services and projects. These user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 223. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 225. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2005 shall be limited to situations in which 1 or more of the following conditions apply:

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
- (d) The travel is necessary to comply with federal requirements.
- (e) The travel is necessary to secure specialized training for staff that is not available within this state.
- (f) The travel is financed entirely by federal or nonstate funds.

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

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

- (a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.
- (b) The destination of each travel occurrence.
- (c) The dates of each travel occurrence.
- (d) A brief statement of the reason for each travel occurrence.
- (e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.
- (f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

HEADQUARTERS AND ARMORIES

Sec. 301. The department may charge reasonable rental and equipment usage fees for renting an armory or using the distance learning network. The fee shall include the cost of overtime compensation, insurance coverage, and any maintenance required.

Sec. 302. (1) The funds appropriated in this act for private donations to the challenge program shall be considered state restricted revenue, and unexpended funds remaining at the close of the fiscal year shall not lapse to the general fund but shall be carried forward to the subsequent fiscal year.

(2) The department shall make every effort to identify alternative sources of revenue to replace the general fund/general purpose funding provided in this act for the challenge program.

(3) The department may charge a parent or guardian of a participant in the challenge program a fee for participating in the program if the participant is a member of a family with an income that exceeds 200% of the federal poverty guidelines as published by the United States department of health and human services. The amount charged the parent or guardian shall not exceed the per student state share cost of administering the program. The parent or guardian shall be notified of any charge to be assessed under this subsection prior to enrollment of the child in the program.

Sec. 304. The department will partner with the family independence agency to identify youth who may be eligible for the challenge program from those youth served by family independence agency programs. These eligible youth shall be given priority for enrollment in the program.

VETERANS SERVICE ORGANIZATIONS

Sec. 501. (1) Money appropriated in section 105 for grants to veterans service organizations shall be used only for salaries, wages, related personnel costs, training, and equipment for accredited veteran service advocacy officers and necessary support and managerial staff. Training shall be provided for service advocacy officers and shall be conducted by accredited advocacy officers.

(2) To receive a grant from the money appropriated in section 105, a veterans service organization shall meet the following eligibility requirements:

- (a) Be congressionally chartered by the United States Congress.
- (b) Be an active participating member of the Michigan veterans organizations' rehabilitation and veterans service committee and abide by its rules, guidelines, and programs.
- (c) Demonstrate the receipt of monetary or service support from its own organization.
- (d) Comply with the department's and the legislature's requirements of accounting audits, service work activity, accounting of recoveries, listing of volunteer hours, budget requests, and other requirements specified in subsection (3).

(e) For a veterans service organization founded after September 30, 1989, be in operation and providing service to Michigan veterans for not less than 2 years before receiving an initial state grant. During this 2-year period of time, the organization shall file a listing of service work activity and an accounting of recoveries with the department, the senate and house fiscal agencies, the senate and house of representatives appropriations subcommittees on military affairs, and the state budget office on forms as prescribed by the department.

(3) A veterans service organization receiving a grant from the money appropriated in section 105 shall file with the department an accounting of its expenditures, audited and certified by a certified public accountant, within 120 days after the organization's fiscal year end. Each organization shall provide a detailed budget request for the fiscal year ending September 30, 2006, to the department by November 15, 2004, within the format as prescribed by the department to be used in the development of the budget for the fiscal year ending September 30, 2006. Each veterans service organization shall provide 5 copies of a listing of all service activity, an accounting of recoveries, and a listing of volunteer hours for the fiscal year ending September 30, 2004, to the department by January 31, 2005. The listing of volunteer hours shall include the hours, services, and donations provided to residents of the Grand Rapids veterans' home and the D.J. Jacobetti veterans' home. Each veterans service organization shall provide a copy of the most recent and completed internal revenue service form 990 to the department at the end of the fiscal year ending September 30, 2004. A veterans service organization receiving a grant from the money appropriated in section 105 shall use the forms recommended by the Michigan veterans organizations' rehabilitation and veterans service committee for filing reports required by this act. The department shall forward information required under this section to the senate and house fiscal agencies, the senate and house of representatives appropriations subcommittees on military affairs, and the state budget office.

VETERANS' HOMES

Sec. 601. Appropriations in this act for the Grand Rapids veterans' home and the D.J. Jacobetti veterans' home shall not be used for any purpose other than for veterans and veterans' families.

Sec. 602. The Grand Rapids veterans' home and the D.J. Jacobetti veterans' home, together with the department and the department of management and budget, shall produce and deliver to the senate and house of representatives appropriations subcommittees on state police and military affairs an annual written report. The report shall include an accounting of member populations and bed space available; a description and accounting of services and activities provided to members; financial information; current state nursing home licensure status; the steps required for Medicaid certification, including a listing of any personnel, equipment, supplies, or budgetary increases required; and whether or not steps are being taken toward Medicaid certification. The annual report shall be submitted to the senate and house of representatives appropriations subcommittees on military affairs no later than February 1, 2005.

Sec. 603. The money appropriated in this act for the boards of managers may be expended for facility improvements, the purchase and repair of equipment and furnishings, member services, and other purposes that benefit the Grand Rapids veterans' home and the D.J. Jacobetti veterans' home.

VETERANS' TRUST FUND

Sec. 703. (1) By April 1, 2005, the department shall submit to the senate and house of representatives appropriations subcommittees on military affairs and the state budget office a detailed annual report of the Michigan veterans' trust fund for fiscal year 2003-2004. The report shall include information on grants provided from the emergency grant program and the veterans survivor tuition program, including details concerning the methodology of allocations, the selection of emergency grant program authorized agents, and a detailed breakdown of trust fund expenditures for that year. The report shall also provide an update on the department's efforts to reduce program administrative costs.

(2) The annual report required under subsection (1) shall contain information on the veterans survivors tuition program, including the number of participants, where the participants attended school, payments made to each school, the average grade point and number of college credits earned by each participant, the number of participants suspended by the program, and the number of participants who earned a degree during fiscal year 2003-2004.

Sec. 704. The Michigan veterans affairs directorate administration and the Michigan veterans' trust fund administration shall take steps to assist the county veterans counselors of the state to obtain training necessary for the execution of their duties.

Sec. 705. (1) It is the intent of the legislature that prior to the enactment of the fiscal year 2005-2006 appropriations bill for the Michigan veterans' trust fund, there shall be legislation enacted which shall provide a dedicated funding source for the cost of the veterans' survivors tuition program which is a fund source other than from revenue from the Michigan veterans' trust fund so that annual interest earnings from the trust fund can be used solely for its original intent of providing temporary emergency financial assistance to wartime veterans in the state.

(2) Should the provisions of subsection (1) be enacted, it is the intent of the legislature that the veterans' trust fund board only expend interest earned by the Michigan veterans' trust fund as provided in 1946 (1st Ex Sess) PA 9, MCL 35.601 to 35.610, and that the board earmark funds each year from the interest earnings to pay into the corpus of the fund until the corpus of the fund reaches its original amount of \$50,000,000.00.

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

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2005; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

Sandy Caul
Shelley Goodman Taub
Carl Williams
Conferees for the House

Cameron Brown
Tony Stamas
Hansen Clarke
Conferees for the Senate

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

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

The question being on the adoption of the conference report,

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

Roll Call No. 617

Yeas—35

| | | | |
|----------|-------------|-----------|-------------|
| Allen | Clarke | Jacobs | Sanborn |
| Barcia | Cropsey | Jelinek | Schauer |
| Basham | Emerson | Johnson | Sikkema |
| Birkholz | Garcia | Kuipers | Stamas |
| Bishop | George | Leland | Switalski |
| Brater | Gilbert | McManus | Thomas |
| Brown | Goschka | Olshove | Toy |
| Cassis | Hammerstrom | Patterson | Van Woerkom |
| Cherry | Hardiman | Prusi | |

Nays—0

Excused—3

| | | |
|---------|---------------|-------|
| Bernero | Clark-Coleman | Scott |
|---------|---------------|-------|

Not Voting—0

In The Chair: President

House Bill No. 5526, entitled

A bill to make appropriations for the department of state police and certain other state purposes for the fiscal year ending September 30, 2005; to provide for the expenditure of those appropriations; to provide for certain reports and the consideration of those reports; to provide for the disposition of other income received by the various state agencies; to provide for certain emergency powers; and to provide for the powers and duties of certain committees, certain state agencies, and certain employees.

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

The Conference Report was read as follows:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning **House Bill No. 5526, entitled**

A bill to make appropriations for the department of state police and certain other state purposes for the fiscal year ending September 30, 2005; to provide for the expenditure of those appropriations; to provide for certain reports and the consideration of those reports; to provide for the disposition of other income received by the various state agencies; to provide for certain emergency powers; and to provide for the powers and duties of certain committees, certain state agencies, and certain employees.

Recommends:

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

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

A bill to make appropriations for the department of state police and certain other state purposes for the fiscal year ending September 30, 2005; to provide for the expenditure of those appropriations; to provide for certain reports and the consideration of those reports; to provide for the disposition of other income received by the various state agencies; to provide for certain emergency powers; and to provide for the powers and duties of certain committees, certain state agencies, and certain employees.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of state police for the fiscal year ending September 30, 2005, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF STATE POLICE

APPROPRIATION SUMMARY:

| | | |
|--|---------|----------------|
| Full-time equated unclassified positions | 3.0 | |
| Full-time equated classified positions | 2,948.0 | |
| GROSS APPROPRIATION | | \$ 475,845,900 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 19,916,800 |
| ADJUSTED GROSS APPROPRIATION | | \$ 455,929,100 |
| Federal revenues: | | |
| Total federal revenues | | 106,255,100 |
| Special revenue funds: | | |
| Total local revenues | | 4,681,100 |
| Total private revenues | | 10,700 |
| Total other state restricted revenues | | 100,602,000 |
| State general fund/general purpose | | \$ 244,380,200 |

Sec. 102. EXECUTIVE DIRECTION

| | | |
|---|------|---------------|
| Full-time equated unclassified positions | 3.0 | |
| Full-time equated classified positions | 39.0 | |
| Unclassified positions | | \$ 238,300 |
| Executive direction—34.0 FTE positions | | 3,467,800 |
| Auto theft prevention program—5.0 FTE positions | | 7,098,600 |
| GROSS APPROPRIATION | | \$ 10,804,700 |
| Appropriated from: | | |
| Special revenue funds: | | |
| Auto theft prevention fund | | 7,098,600 |
| State general fund/general purpose | | \$ 3,706,100 |

Sec. 103. DEPARTMENTWIDE APPROPRIATIONS

| | | |
|---|--|---------------|
| Special maintenance and utilities | | \$ 479,400 |
| Rent and building occupancy charges | | 7,388,400 |
| Worker’s compensation | | 2,995,000 |
| Fleet leasing | | 14,119,200 |
| In-service training | | 850,000 |
| Narcotics investigation funds | | 265,000 |
| GROSS APPROPRIATION | | \$ 26,097,000 |

For Fiscal Year
Ending Sept. 30,
2005

| | |
|--|---------------|
| Appropriated from: | |
| Interdepartmental grant revenues: | |
| IDT, Michigan justice training fund | \$ 850,000 |
| IDG, training academy charges | 208,600 |
| Federal revenues: | |
| DOJ | 37,000 |
| DOT | 18,500 |
| DHS | 8,500 |
| Federal narcotics investigation revenues | 95,000 |
| Special revenue funds: | |
| Forensic science reimbursement fees | 74,100 |
| State forensic laboratory fund | 74,100 |
| Criminal justice information center service fees | 109,500 |
| Secondary road patrol and training fund | 2,400 |
| Hazardous materials training center fees | 60,100 |
| Michigan justice training fund | 4,800 |
| Motor carrier fees | 5,500 |
| Highway safety fund | 5,900 |
| Traffic law enforcement and safety fund | 11,600 |
| Narcotics investigation revenues | 170,000 |
| State general fund/general purpose | \$ 24,361,400 |
| Sec. 104. SUPPORT SERVICES | |
| Full-time equated classified positions | 132.0 |
| Human resources—29.0 FTE positions | \$ 2,170,900 |
| Human resources optimization user charges | 88,600 |
| Management services—50.0 FTE positions | 3,683,900 |
| Training administration—41.0 FTE positions | 4,746,900 |
| Communications—12.0 FTE positions | 4,661,000 |
| GROSS APPROPRIATION | \$ 15,351,300 |
| Appropriated from: | |
| Interdepartmental grant revenues: | |
| IDT, truck safety fund | 4,300 |
| IDT, auto theft funds | 23,000 |
| IDG-MDOT, state trunkline fund | 30,000 |
| IDG, training academy charges | 2,899,000 |
| IDG-MDTR, casino gaming fees | 29,000 |
| Special revenue funds: | |
| Local - LEIN fees | 34,900 |
| Highway safety fund | 123,500 |
| Auto theft prevention fund | 4,300 |
| Precision driving track fees | 280,800 |
| Traffic law enforcement and safety fund | 213,500 |
| Motor carrier fees | 136,800 |
| Nuclear plant emergency planning reimbursement | 3,100 |
| State general fund/general purpose | \$ 11,569,100 |
| Sec. 105. HIGHWAY SAFETY PLANNING | |
| Full-time equated classified positions | 26.0 |
| State program planning and administration—14.0 FTE positions | \$ 1,146,000 |
| Grants to local governments and nonprofit organizations | 4,500,000 |
| Secondary road patrol program—2.0 FTE positions | 14,012,100 |
| Truck safety program—2.0 FTE positions | 2,987,400 |
| Highway traffic safety coordination—8.0 FTE positions | 5,990,400 |
| GROSS APPROPRIATION | \$ 28,635,900 |
| Appropriated from: | |
| Federal revenues: | |
| DOT | 10,555,600 |
| DOJ | 563,800 |

| | For Fiscal Year Ending Sept. 30, 2005 |
|--|---|
| Special revenue funds: | |
| Truck driver safety fund..... | \$ 2,987,400 |
| Secondary road patrol and training fund..... | 14,012,100 |
| State general fund/general purpose | \$ 517,000 |
| Sec. 106. CRIMINAL JUSTICE INFORMATION CENTER | |
| Full-time equated classified positions | 100.0 |
| Criminal justice information center division—83.0 FTE positions..... | \$ 7,533,100 |
| Criminal records improvement—1.0 FTE position..... | 4,730,500 |
| Traffic safety—16.0 FTE positions | 1,537,200 |
| GROSS APPROPRIATION | \$ 13,800,800 |
| Appropriated from: | |
| Interdepartmental grant revenues: | |
| IDG-MDOS..... | 325,900 |
| IDG-MDOT, state trunkline fund | 347,500 |
| Federal revenues: | |
| DOJ | 4,730,500 |
| DOT..... | 400,400 |
| Special revenue funds: | |
| Criminal justice information center service fees | 6,201,300 |
| State general fund/general purpose | \$ 1,795,200 |
| Sec. 107. FORENSIC SCIENCES | |
| Full-time equated classified positions | 209.0 |
| Laboratory operations—177.0 FTE positions..... | \$ 17,741,700 |
| DNA analysis program—32.0 FTE positions | 8,529,200 |
| GROSS APPROPRIATION | \$ 26,270,900 |
| Appropriated from: | |
| Federal revenues: | |
| DOJ | 3,514,600 |
| Special revenue funds: | |
| Forensic science reimbursement fees | 1,659,400 |
| State forensic laboratory fund..... | 1,617,400 |
| State general fund/general purpose | \$ 19,479,500 |
| Sec. 108. MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS | |
| Full-time equated classified positions | 28.0 |
| Standards and training—22.0 FTE positions..... | \$ 2,231,100 |
| Training only to local units—2.0 FTE positions | 827,700 |
| Concealed weapons enforcement training | 140,000 |
| Officer’s survivor tuition program..... | 48,800 |
| Public safety officers benefit program..... | 150,000 |
| Justice training grants—4.0 FTE positions..... | 9,054,700 |
| GROSS APPROPRIATION | \$ 12,452,300 |
| Appropriated from: | |
| Federal revenues: | |
| DOJ | 375,200 |
| Special revenue funds: | |
| Secondary road patrol and training fund..... | 827,700 |
| Concealed weapons enforcement fee..... | 140,000 |
| Michigan justice training fund | 9,054,700 |
| Licensing fees..... | 51,900 |
| State general fund/general purpose | \$ 2,002,800 |
| Sec. 109. FIRE INVESTIGATION | |
| Full-time equated classified positions | 29.0 |
| Fire investigation—29.0 FTE positions..... | \$ 3,555,200 |
| Fire investigation training to locals..... | 50,500 |
| GROSS APPROPRIATION | \$ 3,605,700 |

| | For Fiscal Year Ending Sept. 30, 2005 |
|---|---|
| Appropriated from: | |
| State general fund/general purpose | \$ 3,605,700 |
| Sec. 110. EMERGENCY MANAGEMENT | |
| Full-time equated classified positions | 69.0 |
| Emergency management planning and administration—52.0 FTE positions | \$ 3,988,350 |
| Grants to local government | 2,482,100 |
| FEMA program assistance—3.0 FTE positions | 983,000 |
| Nuclear power plant emergency planning—6.0 FTE positions | 1,236,200 |
| Hazardous materials transportation—1.0 FTE position | 580,600 |
| Hazardous materials programs—7.0 FTE positions | 61,646,050 |
| GROSS APPROPRIATION | \$ 70,916,300 |
| Appropriated from: | |
| Federal revenues: | |
| FEMA | 6,079,000 |
| DOT | 580,600 |
| DHS | 59,968,500 |
| Special revenue funds: | |
| Nuclear plant emergency planning reimbursement | 1,236,200 |
| Hazardous materials training center fees | 1,347,500 |
| State general fund/general purpose | \$ 1,704,500 |
| Sec. 111. UNIFORM SERVICES | |
| Full-time equated classified positions | 1,684.0 |
| Uniform services—525.0 FTE positions | \$ 47,701,300 |
| Commercial mobile radio service projects | 800,000 |
| Security guards—15.0 FTE positions | 948,500 |
| Reimbursed services | 2,126,900 |
| At-post troopers—1,144.0 FTE positions | 117,432,600 |
| GROSS APPROPRIATION | \$ 169,009,300 |
| Appropriated from: | |
| Interdepartmental grant revenues: | |
| IDG-MDMB, building occupancy charges | 592,600 |
| IDG-MDTR, emergency telephone fund operations | 400,000 |
| IDG-MDTR, emergency telephone fund coordinator | 400,000 |
| Federal revenues: | |
| DOJ | 1,622,900 |
| Special revenue funds: | |
| Narcotics investigation revenues | 44,000 |
| Highway safety fund | 14,738,900 |
| State police service fees | 2,126,900 |
| Traffic enforcement and safety fund | 30,170,500 |
| State general fund/general purpose | \$ 118,913,500 |
| Sec. 112. SPECIAL OPERATIONS | |
| Full-time equated classified positions | 49.0 |
| Operational support—34.0 FTE positions | \$ 2,891,100 |
| Traffic services—10.0 FTE positions | 3,326,900 |
| Aviation program—5.0 FTE positions | 1,498,400 |
| GROSS APPROPRIATION | \$ 7,716,400 |
| Appropriated from: | |
| Interdepartmental grant revenues: | |
| IDG-MDOC, contract | 83,400 |
| Federal revenues: | |
| DOT | 1,619,300 |
| Special revenue funds: | |
| Private donations | 10,700 |
| Rental of department aircraft | 165,400 |
| Drunk driving prevention and training fund | 1,053,100 |
| State general fund/general purpose | \$ 4,784,500 |

For Fiscal Year
Ending Sept. 30,
2005

Sec. 113. CRIMINAL INVESTIGATIONS

| | | |
|---|-------|----------------------|
| Full-time equated classified positions | 383.0 | |
| Criminal investigations—280.0 FTE positions | | \$ 32,558,100 |
| Federal antidrug initiatives—62.0 FTE positions | | 10,504,600 |
| Reimbursed services, materials, and equipment | | 2,570,200 |
| Auto theft prevention—9.0 FTE positions..... | | 1,471,100 |
| Casino gaming oversight—32.0 FTE positions | | 3,812,000 |
| GROSS APPROPRIATION | | \$ 50,916,000 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDT, auto theft funds..... | | 1,194,300 |
| IDG-MDTR, casino gaming fees..... | | 3,812,000 |
| IDG-MDCH, tobacco tax | | 610,000 |
| Federal revenues: | | |
| Federal investigations - reimbursed services | | 730,300 |
| DOJ | | 7,908,900 |
| Federal narcotics investigation revenues | | 409,500 |
| Special revenue funds: | | |
| Local - reimbursed services | | 1,839,900 |
| Narcotics investigation revenues | | 567,600 |
| Forfeiture funds | | 352,000 |
| State general fund/general purpose | | \$ 33,491,500 |

Sec. 114. MOTOR CARRIER ENFORCEMENT

| | | |
|--|-------|----------------------|
| Full-time equated classified positions | 200.0 | |
| Motor carrier enforcement—122.0 FTE positions | | \$ 9,219,900 |
| Truck safety enforcement team operations—15.0 FTE positions..... | | 1,183,000 |
| Safety inspections—43.0 FTE positions..... | | 7,252,300 |
| School bus inspections—16.0 FTE positions | | 1,200,700 |
| Safety projects—4.0 FTE positions..... | | 177,300 |
| GROSS APPROPRIATION | | \$ 19,033,200 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDT, truck safety fund..... | | 1,183,000 |
| IDG-MDOT, state trunkline fund | | 6,816,000 |
| Federal revenues: | | |
| DOT..... | | 5,979,100 |
| Special revenue funds: | | |
| Motor carrier fees | | 3,854,400 |
| State general fund/general purpose | | \$ 1,200,700 |

Sec. 115. INFORMATION TECHNOLOGY

| | | |
|--|--|----------------------|
| Information technology services and projects | | \$ 21,236,100 |
| GROSS APPROPRIATION | | \$ 21,236,100 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG-MDTR, casino gaming fees..... | | 75,000 |
| IDG-MDOT, state trunkline fund | | 33,200 |
| Federal revenues: | | |
| DOT..... | | 1,057,900 |
| Special revenue funds: | | |
| Local - LEIN fees | | 2,771,400 |
| Local - AFIS fees..... | | 34,900 |
| Motor carrier fees | | 15,000 |
| State general fund/general purpose | | \$ 17,248,700 |

PART 2
PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2004-2005 is \$344,982,200.00 and state spending from state resources to be paid to local units of government for fiscal year 2004-2005 is \$20,107,800.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF STATE POLICE

OFFICE OF HIGHWAY SAFETY PLANNING

Secondary road patrol program \$ 13,872,000

COMMISSION ON LAW ENFORCEMENT STANDARDS

Training only to local units \$ 647,200

Justice training grants 5,538,100

FIRE INVESTIGATION

Fire investigation training for locals \$ 50,500

Total..... \$ 20,107,800

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

Sec. 203. As used in this act:

- (a) "AFIS" means the automated fingerprint identification system.
- (b) "Department" means the department of state police.
- (c) "DHS" means the United States department of homeland security.
- (d) "DNA" means deoxyribonucleic acid.
- (e) "DOJ" means the United States department of justice.
- (f) "DOT" means the United States department of transportation.
- (g) "FEMA" means the federal emergency management agency.
- (h) "FTE" means full-time equated.
- (i) "IDG" means interdepartmental grant.
- (j) "IDT" means intradepartmental transfer.
- (k) "LEIN" means law enforcement information network.
- (l) "MCOLES" means the Michigan commission on law enforcement standards.
- (m) "MDCH" means the Michigan department of community health.
- (n) "MDMB" means the Michigan department of management and budget.
- (o) "MDOC" means the Michigan department of corrections.
- (p) "MDOS" means the Michigan department of state.
- (q) "MDOT" means the Michigan department of transportation.
- (r) "MDTR" means the Michigan department of treasury.

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

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

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

Sec. 207. At least 60 days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 30 months.

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

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

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

Sec. 211. It is the intent of the legislature that personnel of the department who request and are eligible for reimbursement of expenses related to the operation of the department be reimbursed from the appropriations provided in this act within 30 days after submitting a request, or the eligible personnel shall be paid an additional amount equal to 0.75% of the payment due. The department shall pay an additional amount equal to 0.75% of the payment due for the first month and each succeeding month or portion of a month the payment remains past due.

Sec. 212. Of the state general fund/general purpose revenue appropriated in this act, \$32,175,400.00 represents a state spending increase over the amount provided to the department of state police for the fiscal year ending September 30, 1994, and may be used to meet state match requirements of programs contained in the violent crime control and law enforcement act of 1994, 42 USC 13701 to 14223, or successor grant programs, so that any additional federal money received supplements funding provided to the department of state police in this act.

Sec. 213. (1) It is the intent of the legislature that the department shall not provide any subsidy for contractual services it provides.

(2) When the department provides contractual services to a local unit of government, the department shall be reimbursed for all costs incurred in providing the services, including, but not limited to, retirement and overtime costs.

(3) Contractual services provided to an entity other than a local unit of government may be provided by department personnel, but only on an overtime basis outside the normal work schedule of the personnel.

(4) This section does not apply to state agencies.

Sec. 214. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow all federal guidelines and state laws regarding short-term and long-term retention of records.

Sec. 215. Not later than January 1, 2005, the department shall report to the state police appropriations subcommittees of the house and senate and the house and senate fiscal agencies. The report shall contain the following information regarding the department's activities related to casino gaming oversight during fiscal year 2003-2004:

- (a) The amount of money received and expended.
- (b) The nature and structure of the casino gaming oversight unit.
- (c) The positions and classifications of employees assigned.
- (d) The number of full-time and part-time employees and the aggregate number of FTEs.
- (e) The number of enlisted and civilian positions.
- (f) The duties and responsibilities of the assigned employees.
- (g) The immediate past position of the enlisted employees assigned.

Sec. 216. The department shall collect and computerize the vehicle identification number (VIN) of all vehicles that are entered into the state accident data collection system and make this and other vehicle information available to the public at cost. For bulk access to the accident records in which the VIN has been collected and computerized, the department shall make those records available to the public at cost, provided that the name and address have been excluded.

Sec. 217. From the funds appropriated in part 1, the department shall maintain a toll-free hotline in collaboration with the department of education. The toll-free hotline shall be operated 24 hours per day, 7 days per week, and shall provide students, school officials, and other individuals an opportunity to report specific threats of imminent school violence or other suspicious or criminal conduct by juveniles to the appropriate local law enforcement entities for investigation. The department may expend funds for the promotion of the hotline.

Sec. 218. (1) Funds appropriated in part 1 for at-post troopers shall only be expended for trooper salaries, wages, benefits, retirement, equipment, supplies, and other expenses directly related to state troopers assigned to general law enforcement duties at a department post, detachment, satellite office, or a resident trooper function.

(2) From the funds appropriated in part 1 for at-post troopers, 1 or more trooper recruit schools of a size, length, and date to be determined by the department or the legislature shall be conducted during fiscal year 2004-2005 with the goal of maintaining at-post trooper strength of at least 1,075 on September 30, 2005.

(3) The department shall submit quarterly written reports to the senate and house appropriations subcommittees on state police and military and veterans affairs no later than December 1, 2004, March 1, 2005, June 1, 2005, and September 1, 2005 which shall include a trooper strength report and the status of the department's plan for accomplishing the goal of subsection (2). If the department determines that insufficient appropriations exist under part 1 to accomplish the goal of subsection (2), the department shall submit a proposal outlining a plan to accomplish the goal including an accounting of any additional funding necessary to that end.

Sec. 219. The department of state police shall notify the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies not less than 180 days before recommending to close or consolidate any state police posts.

Sec. 220. The department of state police, in keeping with its role as the general law enforcement agency of the state and as the law enforcement agency of last resort for communities that are either without local law enforcement resources or are seriously underserved by local law enforcement resources, shall provide general law enforcement assistance to those communities until adequate law enforcement services can be provided to those communities by other means.

Sec. 221. (1) Of the funds appropriated in part 1 for rent and building occupancy charges, funds shall be used for the necessary rental costs for a state police post in Marshall.

(2) From the funds appropriated in part 1, the state police and the department of management and budget shall conduct a study regarding the feasibility of a new state police post in Marshall to replace the current post in Battle Creek. The study shall review the possibility of partnering with local communities and first responders in the construction and occupancy of the new facility and shall be completed and the findings communicated to the senate and house of representatives appropriations subcommittees on state police by November 15, 2004.

Sec. 223. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2005 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

INFORMATION TECHNOLOGY

Sec. 301. The money appropriated in part 1 for computer services shall be funded by LEIN user fees sufficient to pay 1/3 of the service and contract maintenance costs of the LEIN system.

Sec. 302. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology-related services and projects. These user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 303. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 304. A portion of the funds appropriated in part 1 shall be used by the department to produce a written report detailing departmental policies regarding access to and use of information from the LEIN system. The report shall include a description of departmental measures to protect the security of information in the LEIN system including safeguards that would prevent unauthorized persons from obtaining information from the LEIN system. The department shall submit a copy of this report to the senate and house appropriations committees not later than April 1, 2005.

Sec. 305. The criminal justice information systems policy council shall encourage members of the law enforcement agencies in the state to be sensitive to, and note when necessary, activities or circumstances that may suggest the

unauthorized access or misuse of information from the LEIN system. The criminal justice information systems policy council shall advise LEIN auditors, as a part of their audit of law enforcement agencies, to investigate in depth all suspected incidents of improper access or improper use of information from the LEIN system and determine whether or not those incidents were illegal. In those incidents that may be determined to be illegal, the executive secretary for the council shall determine whether those incidents were of a negligent or criminal nature. If an incident is determined to be an illegal act, the council shall inform the chairs of both the senate and house appropriations committees.

Sec. 306. (1) The department of state police, working with the criminal justice information system policy council, shall implement procedures by which all probation information is placed on the LEIN system. The LEIN system shall include information on each probationer, including any probation conditions placed on a probationer and the name of the probation officer assigned to a probationer. The LEIN system shall also include any nonstandard probation terms.

(2) If the department determines that amendments to the code of criminal procedure, 1927 PA 175, MCL 760.1 to 777.69, are required to include all probation information on the LEIN system, the department shall deliver to members of the senate and house appropriations subcommittees on state police and military affairs amendments to the code of criminal procedure, 1927 PA 175, MCL 760.1 to 777.69, that, in the department's view, are necessary to accomplish this goal. These proposed amendments shall be delivered to subcommittee members not later than December 1, 2004.

Sec. 307. The department of state police shall serve as an active liaison between the department of information technology and local public safety agencies to facilitate the use of the Michigan public safety communications system towers by those local public safety agencies that have an interest in using the towers as a part of their own communications system. The department of state police shall deliver a written report to the senate and house appropriations subcommittees on state police and military and veterans affairs by April 1, 2005, which shall include an assessment of the progress toward establishing local public safety agency use of the Michigan public safety communications system towers, an accounting of problems that may be preventing local use of the towers, and any recommendations the department has that may foster this utilization.

HIGHWAY SAFETY PLANNING

Sec. 401. On a quarterly basis, the department shall report to the senate and house appropriations subcommittees on state police and military affairs on the status of assessments collected and authorized under section 629e of the Michigan vehicle code, 1949 PA 300, MCL 257.629e, for the purposes of supporting the secondary road patrol grant program. Each quarterly report shall contain updated information on collection levels, revised projected grant allotments to counties for the year, a comparison of projected collections and grant distribution levels with the funds appropriated in part 1 for the secondary road patrol program, and the extent collection levels have exceeded or failed to meet appropriated levels for the current fiscal year or expenditure levels from the previous fiscal year.

FORENSIC SCIENCES

Sec. 501. (1) The department shall distribute a copy of the department's protocol for retaining and purging DNA analysis samples and records to each police agency in this state.

(2) The department shall report to the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies when any changes to the department's DNA protocol are made.

Sec. 502. The department shall work with the department of community health, the Michigan hospital association, the Michigan state medical society, and the Michigan nurses association to ensure that the recommendations included in the "Standard Recommended Procedures for the Emergency Treatment of Sexual Assault Victims" are followed in the collection of evidence.

MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS

Sec. 601. The money appropriated to the MCOLES for maintenance and delivery of training to locals is provided in accordance with a state reimbursement policy in which 100% of the determined state reimbursement rate shall be distributed upon certification by the MCOLES.

Sec. 602. From the appropriations in part 1 for the training of new state troopers and other new police officers in the state and for the continuing education of all law enforcement officers in the state, sufficient funds shall be used to include curricula on the content and application of federal firearms laws, including the procedures necessary for law enforcement to turn appropriate cases over to the federal bureau of alcohol, tobacco, and firearms or any other applicable federal criminal justice agency.

EMERGENCY MANAGEMENT

Sec. 801. (1) The state director of emergency management may expend money appropriated under this act to call upon any agency or department of the state or any resource of the state to protect life or property or to provide for the health or safety of the population in any area of the state in which the governor proclaims a state of emergency or state of disaster under 1945 PA 302, MCL 10.31 to 10.33, or under the emergency management act, 1976 PA 390, MCL 30.401 to 30.421. The state director of emergency management may expend the amounts the director considers necessary to accomplish these purposes. The director shall submit to the state budget director as soon as possible a complete report of all actions taken under the authority of this section. The report shall contain, as a separate item, a statement of all money expended that is not reimbursable from federal money. The state budget director shall review the expenditures and submit recommendations to the legislature in regard to any possible need for a supplemental appropriation.

(2) In addition to the money appropriated in this act, the department may receive and expend money from local, private, federal, or state sources for the purpose of providing emergency management training to local or private interests and for the purpose of supporting emergency preparedness, response, recovery, and mitigation activity. If additional expenditure authorization in the Michigan administrative information network is approved by the state budget office under this section, the department and the state budget office shall notify the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies within 10 days after the approval. The notification shall include the amount and source of the additional authorization, the date of its approval, and the projected use of funds to be expended under the authorization.

Sec. 802. The department shall not make any purchases related to a statewide emergency management computer network unless authorized to do so by the director of the department of information technology.

UNIFORM SERVICES

Sec. 901. State police enlisted personnel who are employed to enforce traffic laws as provided in section 629e of the Michigan vehicle code, 1949 PA 300, MCL 257.629e, shall not be prohibited from responding to crimes in progress or other emergency situations, and are responsible for protecting every citizen of this state from harm.

SPECIAL OPERATIONS

Sec. 1001. In addition to the appropriations in section 112 to the department of state police for the aviation program, the department is authorized to sell its aircraft and the proceeds from the sale are appropriated and may be applied to the renovation cost of replacement aircraft. If additional expenditure authorization in the Michigan administrative information network is approved by the state budget office under this section, the department and the state budget office shall notify the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies within 10 days after the approval. The notification shall include the amount and source of the additional authorization, the date of its approval, and the projected use of funds to be expended under the authorization.

Sec. 1002. Money privately donated to the department is appropriated under section 112 to be used for the purposes designated by the donor of the money. Money privately donated to the department's canine unit shall be used to purchase equipment and other items to enhance the operation of the canine unit. It is the intent of the legislature that money from private donations not supplant general fund appropriations.

CRIMINAL INVESTIGATIONS

Sec. 1101. (1) There is sufficient money appropriated in section 113 to criminal investigations to ensure that the citizens in a service area of any state police post in the vicinity of a state prison do not experience a downgrading of state police services in their area. Criminal investigations shall be available by temporary or permanent assignment of a detective when either a temporary or permanent prison facility is opened.

(2) If the department is unable to comply with subsection (1) and there is a prison scheduled to open, the department shall provide troopers to serve as investigators on an interim basis.

MOTOR CARRIER ENFORCEMENT

Sec. 1201. (1) The department shall report to the house and senate appropriations subcommittees on state police and the house and senate fiscal agencies by March 1, 2005 regarding the inspection of school buses and other motor vehicles under section 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil transportation act, 1990 PA 187, MCL 257.1839. The report shall include the following information regarding inspections conducted in calendar year 2004:

- (a) The number of buses and vehicles inspected by the department.
- (b) The number of buses and vehicles passing and failing inspection.
- (c) The estimated number of buses and vehicles not inspected.

(2) If each school bus within a school system receives a 100% successful state inspection on its first inspection in a given year, the department shall award a certificate to that school system.

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

A bill to make appropriations for the department of state police and certain other state purposes for the fiscal year ending September 30, 2005; to provide for the expenditure of those appropriations; to provide for certain reports and the consideration of those reports; to provide for the disposition of other income received by the various state agencies; to provide for certain emergency powers; and to provide for the powers and duties of certain committees, certain state agencies, and certain employees.

Sandy Caul
Shelley Goodman Taub
Carl Williams
Conferees for the House

Cameron Brown
Tony Stamas
Hansen Clarke
Conferees for the Senate

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

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

Roll Call No. 618**Yeas—32**

| | | | |
|----------|-------------|---------|-------------|
| Allen | Cherry | Jacobs | Sanborn |
| Barcia | Clarke | Jelinek | Schauer |
| Basham | Cropsey | Johnson | Sikkema |
| Birkholz | Garcia | Kuipers | Stamas |
| Bishop | George | Leland | Switalski |
| Brater | Goschka | McManus | Thomas |
| Brown | Hammerstrom | Olshove | Toy |
| Cassis | Hardiman | Prusi | Van Woerkom |

Nays—2

| | |
|---------|-----------|
| Gilbert | Patterson |
|---------|-----------|

Excused—3

| | | |
|---------|---------------|-------|
| Bernero | Clark-Coleman | Scott |
|---------|---------------|-------|

Not Voting—1

Emerson

In The Chair: President

Senator Jelinek submitted the following:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning
Senate Bill No. 1062, entitled

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2004 and for the fiscal year ending September 30, 2005; 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, 2004 and for the fiscal year ending September 30, 2005; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**PART 1****LINE-ITEM APPROPRIATIONS FOR FISCAL YEAR 2004-2005**

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, 2005, from the funds indicated in this part. The following is a summary of the appropriations in this part:

For Fiscal Year
Ending Sept. 30,
2005

COMMUNITY COLLEGES**APPROPRIATION SUMMARY:**

| | | |
|--|----|-------------|
| GROSS APPROPRIATION | \$ | 285,747,000 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | \$ | 0 |
| ADJUSTED GROSS APPROPRIATION | \$ | 285,747,000 |
| Total federal revenues | | 0 |
| Total local revenues | | 0 |
| Total private revenues | | 0 |
| Total state restricted revenues | | 0 |
| State general fund/general purpose | \$ | 285,747,000 |

Sec. 102. OPERATIONS

| | | |
|--|----|-------------|
| Alpena Community College | \$ | 4,566,700 |
| Bay de Noc Community College | | 4,415,100 |
| Delta College | | 12,348,100 |
| Glen Oaks Community College | | 2,071,700 |
| Gogebic Community College | | 3,777,400 |
| Grand Rapids Community College | | 15,531,800 |
| Henry Ford Community College | | 18,928,600 |
| Jackson Community College | | 10,478,000 |
| Kalamazoo Valley Community College | | 10,691,000 |
| Kellogg Community College | | 8,399,600 |
| Kirtland Community College | | 2,549,300 |
| Lake Michigan College | | 4,520,700 |
| Lansing Community College | | 26,859,500 |
| Macomb Community College | | 28,658,300 |
| Mid Michigan Community College | | 3,823,000 |
| Monroe County Community College | | 3,719,400 |
| Montcalm Community College | | 2,690,400 |
| C.S. Mott Community College | | 13,579,600 |
| Muskegon Community College | | 7,727,900 |
| North Central Michigan College | | 2,617,500 |
| Northwestern Michigan College | | 7,885,600 |
| Oakland Community College | | 18,077,900 |
| St. Clair County Community College | | 6,055,400 |
| Schoolcraft College | | 10,610,000 |
| Southwestern Michigan College | | 5,695,500 |
| Washtenaw Community College | | 10,783,700 |
| Wayne County Community College | | 13,940,000 |
| West Shore Community College | | 1,985,800 |
| GROSS APPROPRIATION | \$ | 262,987,500 |

Appropriated from:

| | | |
|--|----|-------------|
| State general fund/general purpose | \$ | 262,987,500 |
|--|----|-------------|

Sec. 103. TUITION RESTRAINT INCENTIVE

| | | |
|--|----|-----------|
| Alpena Community College | \$ | 295,800 |
| Bay de Noc Community College | | 286,000 |
| Delta College | | 800,000 |
| Glen Oaks Community College | | 134,200 |
| Gogebic Community College | | 244,800 |
| Grand Rapids Community College | | 1,006,200 |
| Henry Ford Community College | | 1,226,200 |
| Jackson Community College | | 678,800 |
| Kalamazoo Valley Community College | | 692,600 |
| Kellogg Community College | | 544,200 |
| Kirtland Community College | | 165,200 |
| Lake Michigan College | | 292,800 |

| | For Fiscal Year Ending Sept. 30, 2005 |
|---|---|
| Lansing Community College..... | \$ 1,740,000 |
| Macomb Community College..... | 1,856,400 |
| Mid Michigan Community College..... | 247,600 |
| Monroe County Community College..... | 241,000 |
| Montcalm Community College..... | 174,200 |
| C.S. Mott Community College..... | 879,800 |
| Muskegon Community College..... | 500,600 |
| North Central Michigan College..... | 169,600 |
| Northwestern Michigan College..... | 510,800 |
| Oakland Community College..... | 1,171,200 |
| St. Clair County Community College..... | 392,200 |
| Schoolcraft College..... | 687,400 |
| Southwestern Michigan College..... | 369,000 |
| Washtenaw Community College..... | 698,600 |
| Wayne County Community College..... | 903,000 |
| West Shore Community College..... | 128,600 |
| GROSS APPROPRIATION..... | \$ 17,036,800 |
| Appropriated from: | |
| State general fund/general purpose..... | \$ 17,036,800 |
| Sec. 104. GRANTS | |
| At-risk student success program..... | \$ 3,322,700 |
| Renaissance zone tax reimbursement funding..... | 2,400,000 |
| GROSS APPROPRIATION..... | \$ 5,722,700 |
| Appropriated from: | |
| State general fund/general purpose..... | \$ 5,722,700 |

PART 2

PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 2004-2005

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 2004-2005 is \$285,747,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2004-2005 is \$285,747,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

| | |
|---|----------------|
| Operations..... | \$ 280,024,300 |
| At-risk student success program..... | 3,322,700 |
| Renaissance zone tax reimbursement program..... | 2,400,000 |
| TOTAL..... | \$ 285,747,000 |

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

Sec. 203. Unless otherwise specified, a community college receiving appropriations in part 1 and the department of labor and economic growth shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

Sec. 207. (1) The amount appropriated in section 103 for community college tuition restraint shall only be paid to a community college that certified to the state budget director by June 30, 2004 that it did not adopt an increase in in-district tuition and fees after December 1, 2003 for the 2003-2004 academic year and that it will not increase its in-district tuition and fees for any semester in the 2004-2005 academic year by more than 2.8% from its in-district tuition and fees in the 2003-2004 academic year.

(2) For the purposes of subsection (1), a community college that adopted an increase in in-district tuition and fees after December 1, 2003 for the 2003-2004 academic year, but subsequently rebated to its students an amount equal to this increase prior to June 30, 2004 is considered to have not adopted an in-district tuition and fee increase for the 2003-2004 academic year.

(3) The state budget director shall implement a reporting requirement based on definitions and uniform reporting requirements established by the state budget director and the house and senate fiscal agencies, to ensure that a community college receiving an appropriation under section 103 has satisfied the tuition restraint requirements of this section.

(4) If a community college complies with the tuition restraint requirements described in this section, its state appropriation will not be reduced by executive order or any other manner during the 2004-2005 fiscal year.

Sec. 208. The department of labor and economic growth shall work collaboratively with community colleges to develop an accelerated entrepreneurship curriculum, including an associate degree, to provide students with the skills and knowledge needed for creating their own businesses.

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

(2) Funds appropriated in part 1 shall not be used for the purchase of out-of-state goods or services, or both, if competitively priced and comparable quality Michigan goods or services, or both, are available.

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

Sec. 211. (1) The money appropriated in this act is appropriated for community colleges with fiscal years ending June 30, 2005, 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, 2004. Each community college shall accrue its July and August 2005 payments to its institutional fiscal year ending June 30, 2005. However, if a community college fails to submit all verified Michigan community colleges activities classification structure data for school year 2003-2004 to the department of labor and economic growth by November 1, 2004, the monthly installments shall be withheld from that community college until those data are submitted. The amount from the money appropriated in part 1 that is allocated to address the special needs of at-risk students shall be paid in full by the state treasurer by November 1, 2004. 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, 20 USC 2301 to 2415, including local administration.

Sec. 216. (1) A community college shall pay the employer's contributions to the Michigan public school employees' retirement system created by the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, as a condition of receiving money appropriated under this act.

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

(3) A community college shall not be required to submit more than 4 reports annually to the Michigan public school employees' retirement system for purposes of calculating retirement benefits.

Sec. 217. Money appropriated in part 1 shall not be used to pay for the construction or maintenance of a self-liquidating project. Any construction, renovation, or other capital outlay project that exceeds \$1,000,000.00 requires the approval of a use and finance statement by the joint capital outlay subcommittee (JCOS) pursuant to JCOS policy.

Sec. 220. It is the intent of the legislature that the legislature restore the infrastructure, technology, equipment, and maintenance (ITEM) funding provided in previous fiscal years. In addition, it is the intent of the legislature that the legislature, in cooperation with the Michigan community college association, develop proposals and financing alternatives for special maintenance projects at community colleges that otherwise would not qualify for financing under the state building authority.

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

Sec. 230. (1) A community college shall not expend money appropriated under this act to provide health care coverage for community college employees or their dependents for abortion services, other than for spontaneous abortion or to prevent the death of the woman upon whom the abortion is performed. A community college shall not approve a collective bargaining agreement or enter into any other employment contract that includes health care coverage for abortion services other than spontaneous abortion or to prevent the death of the woman upon whom the abortion is performed.

(2) If a community college expends money appropriated under this act in violation of subsection (1), the community college shall repay to this state an amount equal to the amount of money spent in violation of subsection (1).

Sec. 231. In light of sections 1, 3, and 4 of 1846 RS 83, MCL 551.1, 551.3, and 551.4, and section 1 of 1939 PA 168, MCL 551.271, the legislature intends that a community college receiving funding under this act shall not use part 1 money to extend employee benefits to the unmarried partners of the community college's employees except for pre- and post-natal costs.

Sec. 234. 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.

Sec. 235. It is the intent of the legislature that a workgroup be formed to evaluate, discuss, and make recommendations for future action regarding state university admission and enrollment policies that specifically address the acceptance and application of college credits earned by students through the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524. The Michigan community college association may create and administer the workgroup and is encouraged to include members representing university and K-12 school organizations.

Sec. 236. (1) It is the intent of the legislature that any existing or new reciprocal tuition agreements entered into under 1972 PA 251, MCL 390.501 to 390.506, be submitted for review and approval by the house and senate appropriations committees at least once every 3 years.

(2) It is the intent of the legislature that, under any reciprocal tuition agreement approved by the house and senate appropriations committees, out-of-state students pay the in-state, out-of-district tuition and fee rate at any Michigan community college participating in the agreement.

Sec. 237. It is the intent of the legislature that a workgroup that includes members of the legislature and the Michigan community colleges association be formed to evaluate, discuss, and make recommendations regarding the possibility of state payments in lieu of taxes to community colleges whose districts contain state-owned land.

Sec. 238. It is the intent of the legislature that a workgroup that includes members of the legislature and the Michigan community colleges association be formed to evaluate, discuss, and make recommendations regarding the impact of expanding eligibility for the optional retirement plan established in section 3 of the optional retirement act of 1967, 1967 PA 156, MCL 38.383, to include faculty employed by community colleges on a part-time basis.

Sec. 239. The legislature intends that any executive or legislative proposal or action, subsequent to the adoption of a recommendation for appropriations for community colleges for the fiscal year ending September 30, 2005, to increase appropriations to state-supported 4-year universities in excess of the governor's original recommendation for the fiscal year ending September 30, 2005, will be accompanied by a similar action or proposal for state-supported community colleges.

Sec. 240. The legislature intends that not less than 70% of the economic development job training grant money be awarded to community colleges or a consortium of community colleges and other eligible applicants as provided in the budget that appropriated the economic development job training grant money. Further, the legislature intends that at least a portion of the total appropriation for economic development job training grants be awarded to community colleges that offer certified programs that are bureau of apprenticeship training certified. The Michigan economic development corporation shall report by November 1 of each year to the house and senate appropriations subcommittees on community colleges and the senate and house fiscal agencies the names of the community colleges awarded grant money under this section, the amount of the grants awarded, and the percentage awarded to bureau of apprenticeship training certified programs.

STATE AID - OPERATIONS

Sec. 301. Unless otherwise stated, all data items used in determining state aid in this act are as defined in the 2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges, which shall be the basis for reporting data, and the 2003 Activities Classification Structure Manual for Michigan Community Colleges, which shall be used to document financial needs of the community colleges.

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

Sec. 303. A community college selected for audit under section 502 whose audited activities classification structure data is significantly different than the data used to determine state aid under this act shall return any overappropriated money as provided in this subsection. The department of labor and economic growth shall compare formula computations for the audited colleges using pre- and post-audit data. If the state allocation is 2% or more than the post-audit allocation amount, the college shall return the excess money. The returned money shall be redistributed to all 28 community colleges, prorated on the base appropriations contained in part 1.

Sec. 304. It is the intent of the legislature to achieve full funding of the Gast-Mathieu fairness in funding formula.

GRANTS

Sec. 401. (1) The community college at-risk student success program is continued. The funding shall be prorated among community colleges based on the number of student contact hours for developmental and preparatory instruction reported by each community college to the department of labor and economic growth pursuant to the 2003 Activities Classification Structure Manual for Michigan Community Colleges. Of the amount appropriated in part 1 for the at-risk student success program, \$1,120,000.00 is allocated for base grants of \$40,000.00 each, to address the special needs of at-risk students at community colleges or the acquisition or upgrade of technology-related equipment and software.

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

(3) For the fiscal year ending September 30, 2005, the at-risk student success program money is allocated as follows:

| | |
|--|-----------|
| Alpena Community College | \$ 72,300 |
| Bay de Noc Community College | 83,900 |
| Delta College | 99,700 |
| Glen Oaks Community College | 125,600 |
| Gogebic Community College | 70,700 |
| Grand Rapids Community College | 111,500 |
| Henry Ford Community College | 146,000 |
| Jackson Community College | 98,100 |
| Kalamazoo Valley Community College | 93,800 |
| Kellogg Community College | 146,200 |
| Kirtland Community College | 133,000 |
| Lake Michigan College | 155,000 |
| Lansing Community College | 142,600 |
| Macomb Community College | 83,600 |
| Mid Michigan Community College | 126,800 |
| Monroe County Community College | 91,300 |
| Montcalm Community College | 67,200 |
| C.S. Mott Community College | 100,700 |
| Muskegon Community College | 183,300 |
| North Central Michigan College | 117,500 |
| Northwestern Michigan College | 124,600 |
| Oakland Community College | 144,000 |
| St. Clair Community College | 92,000 |
| Schoolcraft College | 130,400 |
| Southwestern Michigan College | 141,500 |
| Washtenaw Community College | 158,400 |
| Wayne County Community College | 161,200 |
| West Shore Community College | 121,800 |

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

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

(b) Are diagnosed as learning disabled.

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

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

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

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

Sec. 404. The appropriation in part 1 for renaissance zone reimbursements shall be made to each eligible recipient no later than 60 days after the department of treasury certifies to the state budget director that it has received all necessary information to properly determine the amounts due each eligible recipient under section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692.

REPORTS AND AUDITS

Sec. 501. The department of labor and economic growth shall publish the activities classification structure data book for Michigan community colleges on or before March 1, 2005, for use by the legislature during budget development for the fiscal year ending September 30, 2006.

Sec. 502. (1) The auditor general or an independent public accounting firm appointed by the auditor general shall audit data for the fiscal year ending on June 30, 2004, as submitted to the department of labor and economic growth

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 2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges and the 2003 Activities Classification Structure Manual for Michigan Community Colleges. Before the submission of a final audit report, a community college may appeal the findings of the preliminary report under an appeal process to be established by the auditor general. The auditor general shall submit a report of the findings to the house and senate appropriations committees, the department of labor and economic growth, and the state budget director before June 1, 2005.

(2) The auditor general or a certified public accountant appointed by the auditor general may conduct performance audits of community colleges as the auditor general considers necessary.

(3) Not more than 60 days after an audit report is released by the office of the auditor general, the principal executive officer of the community college that was audited shall submit to the house and senate appropriations committees, the house and senate fiscal agencies, the department of labor and economic growth, the auditor general, and the state budget director a plan to comply with audit recommendations. The plan shall contain projected dates and resources required, if any, to achieve compliance with the audit recommendations, or a documented explanation of the college's noncompliance with the audit recommendations concerning the matters on which the audited community college and office of the auditor general disagree.

Sec. 503. The department of labor and economic growth shall review the taxonomy of the 7 community colleges selected for the audit under section 502 that is based on the 2003 Activities Classification Structure Manual for Michigan Community Colleges.

Sec. 504. (1) A community college shall retain certified class summaries, class lists, registration documents, and student transcripts that are consistent with the taxonomy of courses. For each enrollment period during the fiscal year, these certified documents shall identify clearly by course the number of in-district and out-of-district student credit and contact hours. The class summaries and class lists shall be consistent with each other and shall include the course prefix and numbers, course title, course credit and contact hours, credit and contact hours generated by each student, and activity classifications consistent with the taxonomy. An auditable process shall be used by the community college to determine the unduplicated head count for in-district students, out-of-district students, and prisoners for each enrollment period during the fiscal year.

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

Sec. 505. Each community college shall have an annual audit of all income and expenditures performed by an independent auditor and shall furnish the independent auditor's management letter and an annual audited accounting of all general and current funds income and expenditures including audits of college foundations to the members of the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, the auditor general, the department of labor and economic growth, and the state budget director before November 15, 2004. If a community college fails to furnish the audit materials, the monthly state aid installments shall be withheld from that college until the information is submitted. All reporting shall conform to the requirements set forth in the 2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges.

Sec. 506. (1) Each community college shall report the following to the department of labor and economic growth no later than November 1, 2004:

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

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

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

(3) The department of labor and economic growth shall compile the information received under subsection (1) and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director by January 7, 2005.

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

Sec. 508. (1) Each community college shall report to the house and senate fiscal agencies, the state budget director, and the department of labor and economic growth by August 31, 2004, the tuition and mandatory fees paid by a full-time in-district student and a full-time out-of-district student as established by the college governing board for the 2004-2005 academic year. This report should also include the annual cost of attendance based on a full-time course load of 30 credits. Each community college shall also report any revisions to the reported 2004-2005 academic year tuition and mandatory fees adopted by the college governing board to the house and senate fiscal agencies, the state budget director, and the department of labor and economic growth within 15 days of being adopted.

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

Sec. 509. (1) Each community college shall report to the department of labor and economic growth the numbers and type of associate degrees and other certificates awarded during the previous fiscal year. The report shall be made not later than November 15, 2004.

(2) The department of labor and economic growth shall compile the information received under subsection (1) and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director by January 7, 2005.

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

Sec. 511. (1) It is the intent of the legislature that the frequency and scope of on-site visits, evaluations, audits, and similar activities be limited to that which is reasonably necessary to monitor the performance of community colleges and confirm the accuracy of reported data. On-site visits, evaluations, audits, and similar activities conducted to comply with the state plan approved by the United States department of education under the Perkins act shall be limited to those necessary to meet the requirements of the state plan.

(2) In developing and implementing audit and reporting requirements, including those included in current and proposed state plans under the Perkins act, the department of labor and economic growth shall consult with community colleges, the legislative auditor general, and independent auditors in an effort to coordinate activities and minimize duplication of audit and reporting requirements imposed on community colleges.

(3) At least 30 days before submission of a new state plan to the United States department of education for approval under the Perkins act, the department of labor and economic growth shall provide copies of the proposed plan to the members of the senate and house appropriations subcommittees on community colleges for their review and comment. Copies of the proposed plan shall be provided to the senate and house fiscal agencies and the state budget director at the same time that they are provided to the senate and house subcommittees.

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

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

Sec. 513. The department of treasury shall annually collect and compile data on the tax revenue losses to community colleges resulting from tax increment financing authorities (TIFA) and tax abatements. The department of treasury shall produce a report detailing the data. The report shall be completed and presented to the house and senate appropriations subcommittees on community colleges, the department of career development, and the department of management and budget not later than February 15, 2005. The report shall include, but is not limited to, the following:

- (a) Estimated revenue losses for each community college for the calendar year 2004.
- (b) Confirmed revenue losses for each community college for the calendar years 2002 and 2003.
- (c) Other requirements requested by the house and senate appropriations subcommittees on community colleges.

PART 2A

APPROPRIATIONS AND PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 2003-2004

GENERAL SECTIONS

Sec. 1201. (1) Subject to subsection (4), a community college certifying to the state budget director by June 30, 2004 that it did not adopt an increase in in-district tuition and fees after December 1, 2003 for the 2003-2004 academic year and that it will not increase its in-district tuition and fees for any semester in the 2004-2005 academic year by more than 2.8% from its in-district tuition and fees in the 2003-2004 academic year shall be paid in the fiscal year ending September 30, 2004 from state general fund/general purpose revenues an additional state appropriation as follows:

| | |
|---|------------|
| Alpena Community College | \$ 148,000 |
| Bay de Noc Community College..... | 143,100 |
| Delta College | 400,100 |
| Glen Oaks Community College..... | 67,200 |
| Gogebic Community College | 122,500 |
| Grand Rapids Community College..... | 503,200 |
| Henry Ford Community College | 613,200 |
| Jackson Community College..... | 339,500 |
| Kalamazoo Valley Community College..... | 346,400 |
| Kellogg Community College..... | 272,200 |
| Kirtland Community College | 82,700 |
| Lake Michigan College | 146,500 |
| Lansing Community College..... | 870,100 |

| | |
|---|------------------|
| Macomb Community College..... | 928,300 |
| Mid Michigan Community College..... | 123,900 |
| Monroe County Community College..... | 120,600 |
| Montcalm Community College | 87,200 |
| C.S. Mott Community College..... | 440,000 |
| Muskegon Community College | 250,400 |
| North Central Michigan College | 84,900 |
| Northwestern Michigan College..... | 255,500 |
| Oakland Community College | 585,700 |
| St. Clair County Community College..... | 196,200 |
| Schoolcraft College..... | 343,800 |
| Southwestern Michigan College..... | 184,600 |
| Washtenaw Community College..... | 349,400 |
| Wayne County Community College | 451,600 |
| West Shore Community College | 64,400 |
| Total..... | <u>8,521,200</u> |

(2) For the purposes of subsection (1), a community college that adopted an increase in in-district tuition and fees after December 1, 2003 for the 2003-2004 academic year, but subsequently rebated to its students an amount equal to this increase prior to June 30, 2004 is considered to have not adopted an in-district tuition and fee increase for the 2003-2004 academic year.

(3) The state budget director shall implement a reporting requirement based on definitions and uniform reporting requirements established by the state budget director and the house and senate fiscal agencies, to ensure that a community college receiving an appropriation under this section has satisfied its tuition restraint requirements.

(4) If the Northville Psychiatric Hospital property is not sold by the state prior to October 1, 2004, the appropriations listed in subsection (1) shall be paid in the fiscal year ending September 30, 2005, rather than the state fiscal year ending September 30, 2004, and it is the intent of the legislature that the appropriations will be paid in full no later than October 15, 2004.

REPEALERS

Enacting section 1. Section 251 of 2003 PA 237 is repealed.

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, 2004 and for the fiscal year ending September 30, 2005; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

Ron Jelinek
 Tony Stamas
 Michael Switalski
 Conferees for the Senate

Bruce Caswell
 Jack Brandenburg
 Michael Sak
 Conferees for the House

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

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

The question being on the adoption of the conference report,

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

Roll Call No. 619

Yeas—35

| | | | |
|----------|---------|---------|-----------|
| Allen | Clarke | Jacobs | Sanborn |
| Barcia | Cropsey | Jelinek | Schauer |
| Basham | Emerson | Johnson | Sikkema |
| Birkholz | Garcia | Kuipers | Stamas |
| Bishop | George | Leland | Switalski |
| Brater | Gilbert | McManus | Thomas |

Brown
Cassis
Cherry

Goschka
Hammerstrom
Hardiman

Olshove
Patterson
Prusi

Toy
Van Woerkom

Nays—0

Excused—3

Bernero

Clark-Coleman

Scott

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 President pro tempore, Senator Birkholz, assumed the Chair.

Senator Goschka submitted the following:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning **Senate Bill No. 1067, entitled**

A bill to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2004 and for the fiscal year ending September 30, 2005; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

Recommends:

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

A bill to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2004 and for the fiscal year ending September 30, 2005; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS FOR FISCAL YEAR 2004-2005

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for higher education for the fiscal year ending September 30, 2005, from the funds indicated in this part. The following is a summary of the appropriations in this part:

HIGHER EDUCATION

APPROPRIATION SUMMARY:

| | | |
|--|-----|-------------------------|
| Full-time equated classified positions | 1.0 | |
| GROSS APPROPRIATION | | \$ 1,690,150,500 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 0 |
| ADJUSTED GROSS APPROPRIATION | | \$ 1,690,150,500 |
| Federal revenues: | | |
| Total federal revenues | | 4,500,000 |
| Special revenue funds: | | |
| Total local revenues | | 0 |

| | For Fiscal Year Ending Sept. 30, 2005 |
|--|---|
| Total private revenues | \$ 0 |
| Total other state restricted revenues | 85,150,000 |
| State general fund/general purpose | \$ 1,600,500,500 |
| Sec. 102. CENTRAL MICHIGAN UNIVERSITY | |
| Operations..... | \$ 75,018,300 |
| Tuition restraint incentive | 4,892,600 |
| GROSS APPROPRIATION | \$ 79,910,900 |
| Appropriated from: | |
| Special revenue funds: | |
| Michigan merit award trust fund | 538,440 |
| State general fund/general purpose | \$ 79,372,460 |
| Sec. 103. EASTERN MICHIGAN UNIVERSITY | |
| Operations..... | \$ 72,563,400 |
| Tuition restraint incentive | 4,732,400 |
| GROSS APPROPRIATION | \$ 77,295,800 |
| Appropriated from: | |
| State general fund/general purpose | \$ 77,295,800 |
| Sec. 104. FERRIS STATE UNIVERSITY | |
| Operations..... | \$ 45,970,800 |
| Tuition restraint incentive | 2,998,000 |
| GROSS APPROPRIATION | \$ 48,968,800 |
| Appropriated from: | |
| State general fund/general purpose | \$ 48,968,800 |
| Sec. 105. GRAND VALLEY STATE UNIVERSITY | |
| Operations..... | \$ 54,358,900 |
| Tuition restraint incentive | 3,545,200 |
| GROSS APPROPRIATION | \$ 57,904,100 |
| Appropriated from: | |
| Special revenue funds: | |
| Michigan merit award trust fund | 5,000,000 |
| State general fund/general purpose | \$ 52,904,100 |
| Sec. 106. LAKE SUPERIOR STATE UNIVERSITY | |
| Operations..... | \$ 11,914,400 |
| Tuition restraint incentive | 770,600 |
| GROSS APPROPRIATION | \$ 12,685,000 |
| Appropriated from: | |
| State general fund/general purpose | \$ 12,685,000 |
| Sec. 107. MICHIGAN STATE UNIVERSITY | |
| Operations..... | \$ 269,913,000 |
| Tuition restraint incentive | 17,603,000 |
| Agricultural experiment station..... | 33,163,800 |
| Cooperative extension service | 28,604,300 |
| GROSS APPROPRIATION | \$ 349,284,100 |
| Appropriated from: | |
| State general fund/general purpose | \$ 349,284,100 |
| Sec. 108. MICHIGAN TECHNOLOGICAL UNIVERSITY | |
| Operations..... | \$ 45,740,000 |
| Tuition restraint incentive | 2,983,000 |
| GROSS APPROPRIATION | \$ 48,723,000 |
| Appropriated from: | |
| State general fund/general purpose | \$ 48,723,000 |
| Sec. 109. NORTHERN MICHIGAN UNIVERSITY | |
| Operations..... | \$ 42,966,600 |
| Tuition restraint incentive | 2,808,600 |
| GROSS APPROPRIATION | \$ 45,775,200 |

| | For Fiscal Year Ending Sept. 30, 2005 |
|--|---|
| Appropriated from: | |
| State general fund/general purpose | \$ 45,775,200 |
| Sec. 110. OAKLAND UNIVERSITY | |
| Operations..... | \$ 45,160,900 |
| Tuition restraint incentive | 2,945,200 |
| GROSS APPROPRIATION | \$ 48,106,100 |
| Appropriated from: | |
| Special revenue funds: | |
| Michigan merit award trust fund | 1,941,768 |
| State general fund/general purpose | \$ 46,164,332 |
| Sec. 111. SAGINAW VALLEY STATE UNIVERSITY | |
| Operations..... | \$ 24,539,800 |
| Tuition restraint incentive | 1,600,400 |
| GROSS APPROPRIATION | \$ 26,140,200 |
| Appropriated from: | |
| Special revenue funds: | |
| Michigan merit award trust fund | 2,019,792 |
| State general fund/general purpose | \$ 24,120,408 |
| Sec. 112. UNIVERSITY OF MICHIGAN-ANN ARBOR | |
| Operations..... | \$ 301,029,600 |
| Tuition restraint incentive | 19,632,400 |
| GROSS APPROPRIATION | \$ 320,662,000 |
| Appropriated from: | |
| State general fund/general purpose | \$ 320,662,000 |
| Sec. 113. UNIVERSITY OF MICHIGAN-DEARBORN | |
| Operations..... | \$ 23,178,400 |
| Tuition restraint incentive | 1,511,600 |
| GROSS APPROPRIATION | \$ 24,690,000 |
| Appropriated from: | |
| State general fund/general purpose | \$ 24,690,000 |
| Sec. 114. UNIVERSITY OF MICHIGAN-FLINT | |
| Operations..... | \$ 19,928,400 |
| Tuition restraint incentive | 1,299,600 |
| GROSS APPROPRIATION | \$ 21,228,000 |
| Appropriated from: | |
| State general fund/general purpose | \$ 21,228,000 |
| Sec. 115. WAYNE STATE UNIVERSITY | |
| Operations..... | \$ 210,017,500 |
| Tuition restraint incentive | 13,696,800 |
| GROSS APPROPRIATION | \$ 223,714,300 |
| Appropriated from: | |
| State general fund/general purpose | \$ 223,714,300 |
| Sec. 116. WESTERN MICHIGAN UNIVERSITY | |
| Operations..... | \$ 104,060,500 |
| Tuition restraint incentive | 6,786,600 |
| GROSS APPROPRIATION | \$ 110,847,100 |
| Appropriated from: | |
| State general fund/general purpose | \$ 110,847,100 |
| Sec. 117. STATE AND REGIONAL PROGRAMS | |
| Full-time equated positions.....1.0 | |
| Higher education database modernization and conversion—1.0 FTE position..... | \$ 200,000 |
| Midwestern higher education compact | 165,000 |
| GROSS APPROPRIATION | \$ 365,000 |
| Appropriated from: | |
| State general fund/general purpose | \$ 365,000 |

For Fiscal Year
Ending Sept. 30,
2005

Sec. 118. MARTIN LUTHER KING, JR.-CESAR CHAVEZ-ROSA PARKS PROGRAM

| | | |
|--|----|------------------|
| Select student supportive services..... | \$ | 1,956,100 |
| Michigan college/university partnership program..... | | 586,800 |
| Morris Hood, Jr. educator development program | | 148,600 |
| GROSS APPROPRIATION | \$ | <u>2,691,500</u> |

Appropriated from:

| | | |
|--|----|-----------|
| State general fund/general purpose | \$ | 2,691,500 |
|--|----|-----------|

Sec. 119. GRANTS AND FINANCIAL AID

| | | |
|---|----|--------------------|
| State competitive scholarships | \$ | 35,630,500 |
| Tuition grants..... | | 61,768,100 |
| Michigan work-study program | | 7,326,300 |
| Part-time independent student program..... | | 2,653,300 |
| Dental clinics grant..... | | 4,547,000 |
| Michigan education opportunity grants | | 2,084,200 |
| Robert C. Byrd honors scholarship program | | 1,500,000 |
| Nursing scholarship program | | 4,000,000 |
| Michigan merit award program | | 61,400,000 |
| Tuition incentive program..... | | 10,250,000 |
| GROSS APPROPRIATION | \$ | <u>191,159,400</u> |

Appropriated from:

Federal revenues:

| | | |
|--|--|-----------|
| Higher education act of 1965, title IV, 20 USC..... | | 3,000,000 |
| Higher education act of 1965, title IV, part A | | 1,500,000 |

Special revenue funds:

| | | |
|--|----|-------------|
| Michigan merit award trust fund..... | | 75,650,000 |
| State general fund/general purpose | \$ | 111,009,400 |

PART 2

PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 2004-2005

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 2004-2005 is \$1,685,650,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2004-2005 is \$3,759,100.00. The itemized statement below identifies the estimated appropriations from which spending to units of local government will occur:

| | | |
|--|----|------------------|
| Part-time independent student program..... | \$ | 1,255,700 |
| Michigan education opportunity grant..... | | 932,900 |
| Michigan work-study | | 1,570,500 |
| TOTAL..... | \$ | <u>3,759,100</u> |

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

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

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

Sec. 212. (1) The funds appropriated in part 1 to state institutions of higher education shall be paid out of the state treasury and distributed by the state treasurer to the respective institutions in 11 equal monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, 2004. Except for Wayne State University, each institution shall accrue its July and August 2005 payments to its institutional fiscal year ending June 30, 2005.

(2) All universities shall submit higher education institutional data inventory (HEIDI) data and associated financial and program information requested by and in a manner prescribed by the state budget director. For universities with fiscal years ending June 30, 2004, these data shall be submitted to the state budget director by October 15, 2004.

Universities with a fiscal year ending September 30, 2004 shall submit preliminary HEIDI data by November 15, 2004 and final data by December 15, 2004. If a university fails to submit HEIDI data and associated financial aid program information in accordance with this reporting schedule, the state treasurer shall withhold the monthly installments under subsection (1) to the university until those data are submitted.

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

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

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

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

GRANTS AND FINANCIAL AID

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

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

(3) If a student who receives an award under this section has his or her tuition and fees paid under the Michigan educational trust program, pursuant to the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1444, and still has financial need, the funds awarded under this section may be used for educational expenses other than tuition and fees.

(4) If the Michigan higher education assistance authority increases the maximum award per eligible student from that provided in the previous fiscal year, it shall not have the effect of reducing the number of eligible students receiving awards in relation to the total number of eligible applicants. Any increase in the maximum grant shall be proportional for all eligible students receiving awards.

Sec. 302. (1) The amounts appropriated in part 1 for the state tuition grant program shall be distributed pursuant to 1966 PA 313, MCL 390.991 to 390.997a.

(2) Tuition grant awards shall be made to all eligible Michigan residents who apply before July 15, 2004 and who are qualified. Tuition grant awards shall not be made to students newly enrolled in a juris doctor law degree program after the 1995-96 academic year.

(3) The Michigan higher education assistance authority shall determine an actual maximum tuition grant award per student that ensures that the aggregate payments for the tuition grant program do not exceed the appropriation contained in part 1 for the state tuition grant program. By December 15, 2004, and again by February 1, 2005, the authority shall analyze the status of award commitments, shall make any necessary adjustments, and shall confirm that those award commitments will not exceed the appropriation contained in part 1 for the tuition grant program. The determination and actions shall be reported to the state budget director and the house and senate fiscal agencies no later than February 15, 2005. If award adjustments are necessary, the students shall be notified of the adjustment by the third Monday in February.

(4) Any unexpended and unencumbered funds remaining on September 30, 2005 from the amounts appropriated in part 1 for the tuition grant program shall not lapse on September 30, 2005, but shall continue to be available for expenditure for tuition grants provided in the 2005-2006 fiscal year. The use of these unexpended fiscal year 2004-2005 funds shall terminate at the end of the 2005-2006 fiscal year.

(5) The Michigan higher education assistance authority shall continue a proportional tuition grant maximum award level for recipients enrolled less than full-time in a given semester or term.

(6) If the Michigan higher education assistance authority increases the maximum award per eligible student from that provided in the previous fiscal year, it shall not have the effect of reducing the number of eligible students receiving awards in relation to the total number of eligible applicants. Any increase in the maximum grant shall be proportional for all eligible students receiving awards for fiscal year 2004-2005.

(7) All Ferris State University students enrolled at Kendall College of Art and Design prior to January 1, 2001 who were qualified for the state tuition grant shall continue to receive the dollar amount of the state tuition grant for which they were eligible until they graduate or are no longer enrolled in the Kendall College of Art and Design at Ferris State University.

Sec. 303. (1) Included in the appropriation in part 1 is funding for the Michigan work-study program established under 1986 PA 288, MCL 390.1371 to 390.1382, and 1986 PA 303, MCL 390.1321 to 390.1332. An effort should be

made by each institution participating in the Michigan work-study program to assure that not less than 10% of those undergraduate, graduate, and professional students eligible to participate in the program are placed with for-profit employers no later than December 31 of each year for which funding is provided under this act.

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

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

Sec. 307. The auditor general may audit selected enrollments, degrees, and awards at selected independent colleges and universities receiving awards administered by the department of treasury. The audits shall be based upon definitions and requirements established by the Michigan higher education assistance authority, the state budget director, and the senate and house fiscal agencies. The auditor general shall accept the Free Application for Federal Student Aid (FAFSA) form as the standard of residency documentation. The auditor general shall submit a report of findings to the senate and house appropriations committees and state budget director by May 1, 2005.

Sec. 308. The sums appropriated in part 1 for the student financial aid programs shall be paid out of the state treasury and shall be distributed to the respective institutions under a quarterly payment system as follows:

(a) For the state competitive scholarship, nursing scholarship, tuition incentive, and tuition grant programs, 40% shall be paid at the beginning of the state's first fiscal quarter, 40% at the beginning of the state's second fiscal quarter, 10% at the beginning of the state's third fiscal quarter, and 10% at the beginning of the state's fourth fiscal quarter.

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

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

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

(e) For the dental clinics grant program, 25% shall be paid at the beginning of the state's first fiscal quarter, 25% at the beginning of the state's second fiscal quarter, 25% at the beginning of the state's third fiscal quarter, and 25% at the beginning of the state's fourth fiscal quarter.

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

Sec. 310. (1) The funds appropriated in part 1 for the tuition incentive program/high school completion program shall be distributed as provided in this section and pursuant to the administrative procedures for the tuition incentive program/high school completion program of the department of treasury.

(2) As used in this section:

(a) "Phase I" means the first part of the tuition incentive assistance program defined as the academic period of 80 semester or 120 term credits, or less, leading to an associate degree or certificate.

(b) "Phase II" means the second part of the tuition incentive assistance program which provides assistance in the third and fourth year of 4-year degree programs.

(c) "Department" means the department of treasury.

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

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

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

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

(iii) Be a United States citizen and a resident of Michigan according to institutional criteria.

(iv) Be at least a half-time student, earning less than 80 semester or 120 term credits at a participating educational institution within 4 years of high school graduation or GED certificate completion.

(b) To be eligible for phase II, a person shall meet either of the following criteria in addition to the criteria in subdivision (a):

(i) Complete at least 56 transferable semester or 84 transferable term credits.

(ii) Obtain an associate degree or certificate at a participating institution.

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

(4) For phase I, the department shall provide payment on behalf of a person eligible under subsection (3). The department shall reject billings that are excessive or outside the guidelines for the type of educational institution.

(5) For phase I, all of the following apply:

(a) Payments for associate degree or certificate programs shall not be made for more than 80 semester or 120 term credits for any individual student at any participating institution.

(b) For persons enrolled at a Michigan community college, the department shall pay the current in-district tuition and mandatory fees. For persons residing in an area that is not included in any community college district, the out-of-district tuition rate may be authorized.

(c) For persons enrolled at a Michigan public university, the department shall pay lower division resident tuition and mandatory fees for the current year.

(d) For persons enrolled at a Michigan independent, nonprofit degree granting college or university, or a Michigan federal tribally controlled community college, or Focus: HOPE, the department shall pay mandatory fees for the current year and a per-credit payment that does not exceed the average community college in-district per-credit tuition rate as reported on August 1, for the immediately preceding academic year.

(6) A person participating in phase II may be eligible for additional funds not to exceed \$500.00 per semester or \$400.00 per term up to a maximum of \$2,000.00 subject to the following conditions:

(a) Credits are earned in a 4-year program at a Michigan degree granting 4-year college or university.

(b) The tuition reimbursement is for coursework completed within 30 months of completion of the phase I requirements.

(7) The department shall work closely with participating institutions to develop an application and eligibility determination process that will provide the highest level of participation and ensure that all requirements of the program are met.

(8) Applications for the tuition incentive program may be approved at any time after the student begins the sixth grade. If a determination of financial eligibility is made, that determination is valid as long as the student meets all other program requirements and conditions.

(9) Each institution shall ensure that all known available restricted grants for tuition and fees are used prior to billing the tuition incentive program for any portion of a student's tuition and fees.

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

(11) Any unexpended and unencumbered funds remaining on September 30, 2005 from the amounts appropriated in part 1 for the tuition incentive program shall not lapse on September 30, 2005, but shall continue to be available for expenditure for the tuition incentive program in the fiscal year ending September 30, 2006.

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

Sec. 312. From the funds appropriated in part 1, the Michigan higher education assistance authority shall administer the nursing scholarship program pursuant to 2002 PA 591, MCL 390.1181 to 390.1189.

Sec. 315. Included in part 1 is funding for the dental clinics grant. This appropriation is for the University of Detroit Mercy to support dental clinical services provided by its school of dentistry to low-income residents in southeastern Michigan.

STATE UNIVERSITIES

Sec. 401. (1) Included in part 1 is \$5,605,892.00 to Wayne State University for the Joseph F. Young, Sr. psychiatric research and training program. Wayne State University shall use these funds for psychiatric laboratory and clinical research, training, and treatment services. Within the available appropriation, services shall not be denied to any patient who meets established research guidelines for treatment on the basis of personal financial circumstances, age, geographic residence, or projected/actual length of treatment as medically warranted.

(2) Wayne State University shall report the following information to the department of community health by November 1, 2005:

(a) The number and type of psychiatric research projects funded by the appropriation described in subsection (1).

(b) The number and type of students trained and the location of training funded by the appropriation.

(c) Demographic data regarding the number and profile of patients to receive psychiatric services funded by the appropriation and a profile of the services provided.

(d) A summary budget outlining major expenditure categories and any first- and third-party reimbursements.

(3) Copies of these reports shall also be provided to the house and senate fiscal agencies and the state budget director.

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

Sec. 405. (1) There is created the higher education institutional data inventory advisory committee. The committee shall be appointed by the state budget director and shall consist of the following members:

- (a) One representative from the house fiscal agency.
- (b) One representative from the senate fiscal agency.
- (c) One representative from the state budget director's office.

(d) Three representatives of the presidents council of state universities. The presidents council shall appoint 1 representative each from a masters, a doctoral, and a research university.

(2) The committee shall be responsible for maintaining and enhancing the state higher education database for which funding is included in part 1.

Sec. 421. (1) Central Michigan University shall report by September 30, 2005 to the state budget director, house and senate appropriations committees, and the house and senate fiscal agencies information on the activities and effectiveness of the national charter schools institute for which an appropriation is provided in part 1. Included in the report shall be an accounting of all revenues and expenditures of the institute, the names of the public school academies served, and the type of assistance provided to each public school academy.

(2) All funds received under part 1 for the national charter schools institute are intended to be expended on activities of that institute.

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

Sec. 433. (1) Included in part 1 is \$2,953,400.00 for the agricultural experiment station and \$2,619,000.00 for the cooperative extension service for project GREEN. Project GREEN is intended to address critical regulatory, food safety, economic, and environmental problems faced by this state's plant-based agriculture, forestry, and processing industries. "GREEN" is an acronym for generating research and extension to meet environmental and economic needs.

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

(3) Not later than September 30, 2005, a report shall be submitted by Michigan State University to the state budget director, the house and senate appropriations subcommittees on agriculture and on higher education, and the house and senate fiscal agencies for the preceding fiscal year regarding project GREEN projects. The report shall include, but is not limited to, the dollar amount of each project and a review of each project's performance and accomplishments.

Sec. 436. (1) The amounts appropriated in part 1 for state university tuition restraint incentives shall only be paid to a state university certifying to the state budget director by October 1, 2004 that the state university meets 1 of the following criteria:

(a) For Grand Valley State University, Michigan State University, and Saginaw Valley State University, the university will not adopt an increase in tuition and required fees for the 2004-2005 academic year greater than 2.4% of the highest resident undergraduate rate authorized for any semester during the 2003-2004 academic year on an annualized basis.

(b) For Western Michigan University, the university will rebate at least \$200.00 of the \$500.00 1-time records fee to each resident undergraduate student who paid that records fee and the university will not adopt an increase in tuition and required fees for the 2004-2005 academic year greater than 2.4% of the average lower and upper division fall and winter resident tuition and required fees for the 2003-2004 academic year. For purposes of the 2.4% limit under this subdivision, the 1-time records fee shall not be included.

(c) For universities not listed in subdivision (a) or (b), the university will not adopt an increase in tuition and required fees for the 2004-2005 academic year greater than 2.8% of the average lower and upper division fall and winter resident tuition and required fees for the 2003-2004 academic year.

(2) The state budget director shall implement a reporting requirement based on definitions and uniform reporting requirements established by the state budget director and the house and senate fiscal agencies, to ensure that a state university receiving an appropriation under sections 102 through 116 has satisfied the tuition restraint requirements of this section.

(3) If a state university complies with the tuition restraint requirements described in this section, its state appropriation will not be reduced by executive order or any other manner during the 2004-2005 fiscal year.

(4) Tuition and required fees for each semester of the 2004-2005 academic year for each university shall not increase, on an annualized basis, by more than the limits provided in subsection (1) above the tuition and required fees for that university for the 2003-2004 academic year.

Sec. 437. It is the intent of the legislature that funds in a Michigan public school employee retirement system (MPERS) stabilization subaccount be used for fiscal year 2004-2005 to provide at least a \$4,900,000.00 subsidy of the payroll contribution rate for the 7 state universities that have employees in the MPERS system.

Sec. 440. All universities shall submit the amount of tuition and fees to be charged a full-time resident undergraduate student for academic year 2004-2005 as part of their higher education institutional data inventory (HEIDI) data by August 31, 2004. A university shall report any revisions to the reported academic year 2004-2005 tuition and fee charges to HEIDI within 15 days of being adopted.

Sec. 450. (1) For the fiscal year ending September 30, 2005, it is the intent of the legislature that an amount calculated under subsection (2) be allocated for per-student floor funding from the general fund/general purpose unreserved balances at the close of the 2003-2004 fiscal year.

(2) The amount allocated under subsection (1) for per-student floor funding is equal to \$4,000.00 per 2002-2003 fiscal-year-equated student at each university. The number of 2002-2003 fiscal-year-equated students at a university is determined by reference to the higher education institutional data inventory (HEIDI).

Sec. 460. By January 10, 2005, each state institution of higher education receiving an appropriation under part 1 shall report to the chairperson of the senate and house appropriations committees, the state budget director, and the senate and house fiscal agencies concerning the present condition of facilities for student housing and the present condition of any housing facilities provided to the institution's president or chancellor. The report shall include, but not be limited to, all of the following:

(a) Concerning student housing, all of the following:

(i) An assessment of the physical condition of student housing facilities.

(ii) An assessment of special maintenance needs and costs for each facility.

(iii) An assessment of the availability of student housing and whether there is adequate capacity to meet demand.

(iv) If there are shortages in availability of student housing, any action being considered to address the shortages.

(b) Concerning the president's or chancellor's housing, all of the following:

(i) The type of residence, if any, provided to the institution's president or chancellor.

(ii) The value at the time of the report of the residence, including both the land and the structure.

(iii) The cost of any renovations and maintenance done at the residence for the immediately preceding 5 years.

(iv) The annual cost of operating the residence.

(v) The fiscal year 2004-2005 compensation of the president or chancellor, including fringe benefits and bonuses.

Sec. 461. From the amount appropriated in part 1 to Lake Superior State University for operations, \$100,000.00 shall be paid to Bay Mills Community College for the costs of waiving tuition for North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

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

Sec. 501. (1) Included in the appropriation for each public university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks future faculty program, that is intended to increase the pool of minority candidates pursuing faculty teaching careers in postsecondary education. Each university shall apply the percentage change applicable to every university in the calculation of appropriations in part 1 to the amount of funds allocated to the future faculty program.

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

Sec. 502. (1) Included in the appropriation for each public university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college day program that is intended to introduce schoolchildren underrepresented in postsecondary education to the potential of a college education.

(2) Individual program plans of each university shall include a budget of equal contributions from this program, the participating public university, the participating school district, and the participating independent degree granting college. College day funds shall not be expended to cover indirect costs. Not more than 20% of the university match shall be attributable to indirect costs. Each university shall apply the percentage change applicable to every university in the calculation of appropriations in part 1 to the amount of funds allocated to the college day program.

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

Sec. 503. (1) Included in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student support services program for developing academically and economically disadvantaged student retention programs for 4-year public and independent educational institutions in this state.

(2) An award made under this program to any 1 institution shall not be greater than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or university basis.

(3) The program shall be administered by the Michigan department of labor and economic growth.

Sec. 504. (1) Included in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university partnership program between 4-year public and independent colleges and universities and public community colleges, which is intended to increase the number of academically and economically disadvantaged students who transfer from community colleges into baccalaureate programs.

(2) The grants shall be made under this program to Michigan public and independent colleges and universities. An award to any 1 institution shall not be greater than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or university basis.

(3) The program shall be administered by the Michigan department of labor and economic growth.

Sec. 505. (1) Included in the appropriation for each public university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks visiting professors program which is intended to increase the number of underrepresented minority instructors in the classroom and provide role models for underrepresented minority students.

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

Sec. 506. (1) Included in the appropriation in part 1 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the Morris Hood, Jr. educator development program which is intended to increase the number of minority students, especially males, who enroll in and complete K-12 teacher education programs at the baccalaureate level.

(2) The program shall be administered by each state-approved teacher education institution in a manner prescribed by the Michigan department of labor and economic growth.

(3) Approved teacher education institutions may and are encouraged to use student support services funding in coordination with the Morris Hood, Jr. funding to achieve the goals of the program.

Sec. 507. Each state institution of higher education receiving funds under section 503, 504, or 506 shall notify the Michigan department of labor and economic growth by April 15, 2005 as to whether it will expend by the end of its fiscal year the funds received under section 503, 504, or 506. Notwithstanding the award limitations in sections 503 and 504, the amount of funding reported as not being expended will be reallocated to the institutions that intend to expend all funding received under section 503, 504, or 506.

STUDENT PERFORMANCE REPORTING

Sec. 601. (1) From the amount appropriated in part 1 for state universities, the state universities shall systematically inform Michigan high schools regarding the academic status of students from each high school in a manner prescribed by the presidents council, state universities of Michigan in cooperation with the Michigan association of secondary school principals.

(2) The Michigan high schools shall systematically inform the state universities about the use of information received under this section in a manner prescribed by the Michigan association of secondary school principals in cooperation with the presidents council, state universities of Michigan.

Sec. 602. From the amount appropriated in part 1 for state universities, the state universities shall inform Michigan community colleges regarding the academic status of community college transfer students in a manner prescribed by the presidents council, state universities of Michigan in cooperation with the Michigan community college association.

GENERAL REPORTS AND AUDITS

Sec. 701. (1) The auditor general shall review higher education institutional data inventory (HEIDI) enrollment data submitted by all public universities and may perform audits of selected public universities if determined necessary. The review and audits shall be based upon the definitions, requirements, and uniform reporting categories established by the state budget director and the senate and house fiscal agencies. The auditor general shall submit a report of findings to the house and senate appropriations committees and the state budget director no later than July 1, 2005.

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

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

(b) Student credit hours generated through distance learning instruction for students not paying the institution's resident tuition rate.

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

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

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

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

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

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

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

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

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

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

Sec. 701a. (1) Pursuant to section 701(2)(e), the following degree programs may be established:

(a) Bachelors

Central Michigan University Electrical Engineering, B.S.E.E.

Central Michigan University Mechanical Engineering, B.S.M.E.

Ferris State University Secondary Education—History Major, B.S.

Lake Superior State University Communication Major, B.A.

Michigan State University Technology Systems Management, B.S.

Michigan Technological University Psychology, B.S.

Michigan Technological University Software Engineering, B.S.

Oakland University Studio Art, B.A.

Wayne State University Environmental Science, B.S.

Western Michigan University Major in Electronic Business Design (eBizD), B.B.A.

(b) Masters

Eastern Michigan University Clinical Research Administration, M.S.

Eastern Michigan University Health Education, M.S.

Eastern Michigan University Professional Master’s in Bioinformatics, M.S.

Ferris State University M.S. in Nursing, M.S.N.

Grand Valley State University Biostatistics, M.S.

Grand Valley State University Cell and Molecular Biology, M.S.

Grand Valley State University Medical and Bioinformatics, M.S.

Grand Valley State University School Counseling, M.Ed.

Lake Superior State University Curriculum and Instruction, M.A.

Michigan State University Community, Agriculture, Recreation, & Resource Studies, M.S.

Northern Michigan University Education Reading, M.A.

Northern Michigan University Education Reading: Specialist, M.A.

University of Michigan Health Services Research, M.S.

(c) Doctorate

Central Michigan University Physical Therapy, D.P.T.

Grand Valley State University Physical Therapy, D.P.T.

Michigan State University Community, Agriculture, Recreation, & Resource Studies, Ph.D.

Michigan State University Second Language Studies, Ph.D.

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

(3) When submitting the listing of new degree programs for future fiscal years, the presidents council shall also provide a listing of degree programs that will no longer be offered in subsequent academic years.

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

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

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

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

Sec. 708. The auditor general may conduct performance audits of state universities during the fiscal year ending September 30, 2005 as the auditor general considers necessary.

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

PART 2A
 PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 2003-2004

GENERAL SECTIONS

Sec. 1201. (1) Subject to subsection (2), a state university certifying to the state budget director by October 1, 2004 that it did not adopt an increase in tuition and required fees for resident undergraduate students after December 1, 2003 for the 2003-2004 academic year shall be paid in the fiscal year ending September 30, 2004 from state general fund/general purpose revenues an additional state appropriation as follows:

| | |
|--|---------------|
| Central Michigan University | \$ 2,446,300 |
| Eastern Michigan University | 2,366,200 |
| Ferris State University | 1,499,000 |
| Grand Valley State University | 1,772,600 |
| Lake Superior State University | 385,300 |
| Michigan State University..... | 8,801,500 |
| Michigan Technological University..... | 1,491,500 |
| Northern Michigan University..... | 1,404,300 |
| Oakland University | 1,472,600 |
| Saginaw Valley State University | 800,200 |
| University of Michigan - Ann Arbor | 9,816,200 |
| University of Michigan - Dearborn | 755,800 |
| University of Michigan - Flint | 649,800 |
| Wayne State University..... | 6,848,400 |
| Western Michigan University | 3,393,300 |
| Total..... | \$ 43,903,000 |

(2) A university that adopted an increase in tuition and required fees for resident undergraduate students after December 1, 2003 for the 2003-2004 academic year shall be paid only 1/2 of the amount designated for that university in subsection (1).

(3) For the purposes of subsections (1) and (2), a state university that adopted an increase in tuition and required fees for resident undergraduate students after December 1, 2003, for the 2003-2004 academic year, but subsequently rebated to its resident undergraduate students an amount equal to that increase, shall be considered to have not adopted a tuition and required fees increase for the 2003-2004 academic year.

(4) The state budget director shall implement a reporting requirement based on definitions and uniform reporting requirements established by the state budget director and the house and senate fiscal agencies, to ensure that a state university receiving an appropriation under this section has satisfied its tuition restraint requirements.

(5) If the Northville Psychiatric Hospital property is not sold by the state prior to October 1, 2004, the appropriations listed in subsection (1) shall be paid in the fiscal year ending September 30, 2005, rather than the state fiscal year ending September 30, 2004, and it is the intent of the legislature that the appropriations will be paid in full no later than October 15, 2004.

REPEALERS

Enacting section 1. Section 452 of 2003 PA 237 is repealed.

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

A bill to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2004 and for the fiscal year ending September 30, 2005; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

Kenneth R. Sikkema
 Mike Goschka
 Deborah Cherry
 Conferees for the Senate

Rick Johnson
 Sandy Caul
 Rich Brown
 Conferees for the House

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

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

The question being on the adoption of the conference report,

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

Roll Call No. 620**Yeas—33**

| | | | |
|----------|-------------|---------|-------------|
| Allen | Clarke | Jacobs | Sanborn |
| Barcia | Cropsey | Jelinek | Schauer |
| Basham | Garcia | Johnson | Sikkema |
| Birkholz | George | Kuipers | Stamas |
| Bishop | Gilbert | Leland | Switalski |
| Brater | Goschka | McManus | Thomas |
| Brown | Hammerstrom | Olshove | Toy |
| Cassis | Hardiman | Prusi | Van Woerkom |
| Cherry | | | |

Nays—1

Patterson

Excused—3

Bernero

Clark-Coleman

Scott

Not Voting—1

Emerson

In The Chair: Birkholz

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.

Recess

Senator Hammerstrom moved that the Senate recess until 12:15 p.m.
The motion prevailed, the time being 11:48 a.m.

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

Recess

Senator Hammerstrom moved that the Senate recess subject to the call of the Chair.
The motion prevailed, the time being 12:20 p.m.

12:38 p.m.

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

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

Senator Hammerstrom 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 Birkholz, designated Senator Brater as Chairperson.

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

House Bill No. 5313, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 52706 (MCL 324.52706), as amended by 2002 PA 356, and by adding section 2150a.

Substitute (S-2).

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

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

Senate Bill No. 1340, entitled

A bill to amend 1995 PA 29, entitled "Uniform unclaimed property act," by amending section 19 (MCL 567.239), as amended by 2004 PA 82 and by adding section 11a; and to repeal acts and parts of acts.

Substitute (S-1).

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

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

Senate Bill No. 1103, entitled

A bill to amend 1933 PA 167, entitled "General sales tax act," by amending section 25 (MCL 205.75), as amended by 2003 PA 139.

Substitute (S-2).

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

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

Senate Bill No. 1104, entitled

A bill to amend 1971 PA 140, entitled "Glenn Steil state revenue sharing act of 1971," by amending section 13 (MCL 141.913), as amended by 2003 PA 168.

Substitute (S-4).

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

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

Senate Bill No. 1105, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 2152, 2153, and 2154 (MCL 324.2152, 324.2153, and 324.2154), as added by 1995 PA 60.

Substitute (S-4).

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

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

Senate Bill No. 1323, entitled

A bill to amend 1972 PA 239, entitled "McCauley-Traxler-Law-Bowman-McNeely lottery act," by amending sections 11 and 18 (MCL 432.11 and 432.18), section 11 as amended by 1996 PA 167.

Substitute (S-1).

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

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

Senator Hammerstrom 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. 5313

Senate Bill No. 1323

Senate Bill No. 1340

Senate Bill No. 1103

Senate Bill No. 1104

Senate Bill No. 1105

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

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

Senate Bill No. 1340

Senate Bill No. 1103

Senate Bill No. 1104

Senate Bill No. 1105

Senate Bill No. 1323

House Bill No. 5313

The motion prevailed.

The following bill was read a third time:

Senate Bill No. 1340, entitled

A bill to amend 1995 PA 29, entitled "Uniform unclaimed property act," by amending section 19 (MCL 567.239), as amended by 2004 PA 82, and by adding section 11a; and to repeal acts and parts of acts.

The question being on the passage of the bill,

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

Roll Call No. 621

Yeas—35

| | | | |
|----------|-------------|-----------|-------------|
| Allen | Clarke | Jacobs | Sanborn |
| Barcia | Cropsey | Jelinek | Schauer |
| Basham | Emerson | Johnson | Sikkema |
| Birkholz | Garcia | Kuipers | Stamas |
| Bishop | George | Leland | Switalski |
| Brater | Gilbert | McManus | Thomas |
| Brown | Goschka | Olshove | Toy |
| Cassis | Hammerstrom | Patterson | Van Woerkom |
| Cherry | Hardiman | Prusi | |

Nays—0

Excused—3

| | | |
|---------|---------------|-------|
| Bernero | Clark-Coleman | Scott |
|---------|---------------|-------|

Not Voting—0

In The Chair: Birkholz

Senator Hammerstrom moved that rule 2.203 be suspended to permit an instant vote on the committee recommendation to give the bill immediate effect.

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

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

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

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 1103, entitled

A bill to amend 1933 PA 167, entitled "General sales tax act," by amending section 25 (MCL 205.75), as amended by 2003 PA 139.

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. 622

Yeas—35

| | | | |
|----------|-------------|-----------|-------------|
| Allen | Clarke | Jacobs | Sanborn |
| Barcia | Cropsey | Jelinek | Schauer |
| Basham | Emerson | Johnson | Sikkema |
| Birkholz | Garcia | Kuipers | Stamas |
| Bishop | George | Leland | Switalski |
| Brater | Gilbert | McManus | Thomas |
| Brown | Goschka | Olshove | Toy |
| Cassis | Hammerstrom | Patterson | Van Woerkom |
| Cherry | Hardiman | Prusi | |

Nays—0

Excused—3

| | | |
|---------|---------------|-------|
| Bernero | Clark-Coleman | Scott |
|---------|---------------|-------|

Not Voting—0

In The Chair: Birkholz

Senator Hammerstrom moved that rule 2.203 be suspended to permit an instant vote on the committee recommendation to give the bill immediate effect.

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

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

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

The Senate agreed to the title of the bill.

The President, Lieutenant Governor Cherry, resumed the Chair.

The following bill was read a third time:

Senate Bill No. 1104, entitled

A bill to amend 1971 PA 140, entitled "Glenn Steil state revenue sharing act of 1971," by amending section 13 (MCL 141.913), as amended by 2004 PA 77.

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. 623**Yeas—32**

| | | | |
|----------|-------------|---------|-------------|
| Allen | Cropsey | Jacobs | Sanborn |
| Barcia | Emerson | Jelinek | Schauer |
| Basham | Garcia | Johnson | Sikkema |
| Birkholz | George | Kuipers | Stamas |
| Brater | Gilbert | Leland | Switalski |
| Brown | Goschka | McManus | Thomas |
| Cherry | Hammerstrom | Olshove | Toy |
| Clarke | Hardiman | Prusi | Van Woerkom |

Nays—3

| | | |
|--------|--------|-----------|
| Bishop | Cassis | Patterson |
|--------|--------|-----------|

Excused—3

| | | |
|---------|---------------|-------|
| Bernero | Clark-Coleman | Scott |
|---------|---------------|-------|

Not Voting—0

In The Chair: President

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

Senator Hammerstrom moved that rule 2.203 be suspended to permit an instant vote on the committee recommendation to give the bill immediate effect.

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

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

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

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 1105, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 2153 and 2154 (MCL 324.2153 and 324.2154), as added by 1995 PA 60.

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. 624**Yeas—33**

| | | | |
|----------|---------|---------|-----------|
| Allen | Clarke | Jacobs | Prusi |
| Barcia | Cropsey | Jelinek | Sanborn |
| Basham | Garcia | Johnson | Schauer |
| Birkholz | George | Kuipers | Sikkema |
| Bishop | Gilbert | Leland | Switalski |

Brater
Brown
Cassis
Cherry

Goschka
Hammerstrom
Hardiman

McManus
Olshove
Patterson

Thomas
Toy
Van Woerkom

Nays—1

Stamas

Excused—4

Bernero

Clark-Coleman

Emerson

Scott

Not Voting—0

In The Chair: President

Senator Hammerstrom moved that rule 2.203 be suspended to permit an instant vote on the committee recommendation to give the bill immediate effect.

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

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

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

The Senate agreed to the title of the bill.

The following bill was read a third time:

Senate Bill No. 1323, entitled

A bill to amend 1972 PA 239, entitled "McCauley-Traxler-Law-Bowman-McNeely lottery act," by amending sections 11 and 18 (MCL 432.11 and 432.18), section 11 as amended by 2004 PA 272.

The question being on the passage of the bill,

Senators Garcia and Cropsey offered the following amendment:

1. Amend page 3, line 26, after "**bureau.**" by inserting "**However, the commissioner shall not allow the placement of advertising for the promotion of the consumption of alcoholic beverages or tobacco products on lottery tickets under the control of the bureau.**".

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

The question being on the passage of the bill,

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

Roll Call No. 625

Yeas—30

Allen
Barcia
Basham
Birkholz
Bishop
Brater
Cassis
Cherry

Clarke
Cropsey
Garcia
Gilbert
Goschka
Hammerstrom
Hardiman
Jacobs

Jelinek
Johnson
Leland
McManus
Olshove
Prusi
Sanborn

Schauer
Sikkema
Stamas
Switalski
Thomas
Toy
Van Woerkom

Nays—4

| | | | |
|-------|--------|---------|-----------|
| Brown | George | Kuipers | Patterson |
|-------|--------|---------|-----------|

Excused—4

| | | | |
|---------|---------------|---------|-------|
| Bernero | Clark-Coleman | Emerson | Scott |
|---------|---------------|---------|-------|

Not Voting—0

In The Chair: President

Senator Hammerstrom moved that rule 2.203 be suspended to permit an instant vote on the committee recommendation to give the bill immediate effect.

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

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

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

The Senate agreed to the title of the bill.

The following bill was read a third time:

House Bill No. 5313, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 52706 (MCL 324.52706), as amended by 2002 PA 356.

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. 626**Yeas—34**

| | | | |
|----------|-------------|-----------|-------------|
| Allen | Clarke | Jelinek | Sanborn |
| Barcia | Cropsey | Johnson | Schauer |
| Basham | Garcia | Kuipers | Sikkema |
| Birkholz | George | Leland | Stamas |
| Bishop | Gilbert | McManus | Switalski |
| Brater | Goschka | Olshove | Thomas |
| Brown | Hammerstrom | Patterson | Toy |
| Cassis | Hardiman | Prusi | Van Woerkom |
| Cherry | Jacobs | | |

Nays—0**Excused—4**

| | | | |
|---------|---------------|---------|-------|
| Bernero | Clark-Coleman | Emerson | Scott |
|---------|---------------|---------|-------|

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 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.

By unanimous consent the Senate returned to the order of

Conference Reports

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

House Bill No. 5521, entitled

A bill to make appropriations for the department of labor and economic growth, the Michigan strategic fund, and certain other state purposes for the fiscal year ending September 30, 2005; 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 conference report was received earlier today, rules suspended and consideration postponed. See p. 1709.)

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. 627

Yeas—33

| | | | |
|----------|-------------|---------|-------------|
| Allen | Clarke | Jacobs | Sanborn |
| Barcia | Cropsey | Jelinek | Schauer |
| Basham | Garcia | Johnson | Sikkema |
| Birkholz | George | Kuipers | Stamas |
| Bishop | Gilbert | Leland | Switalski |
| Brater | Goschka | McManus | Thomas |
| Brown | Hammerstrom | Olshove | Toy |
| Cassis | Hardiman | Prusi | Van Woerkom |
| Cherry | | | |

Nays—1

Patterson

Excused—4

Bernero

Clark-Coleman

Emerson

Scott

Not Voting—0

In The Chair: President

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

The motion prevailed.

Senator Schauer’s statement is as follows:

I rise to support this bill, but I don’t want to let this opportunity go by without at least noting that there is an important item that is being eliminated; that’s funding for volunteer investment grants. This current year, that line item saw a reduction from over \$700,000 to about \$280,000. While there was a point of difference going into conference committee, unfortunately, that line item was zeroed out.

I raise this issue to just raise your awareness that most of us have volunteer centers in our communities that go by different names. Often they are affiliated with United Way organizations. They provide critical clearing-house training and placement services of volunteers in our communities to be linked up with important services that really rely on volunteer help. This is something that is going to be growing in importance, especially assuming that high school students wishing to receive merit awards will need to do community service. They’ll need to rely on these volunteer centers. I just raise this issue with you, colleagues, and I’m hoping that we can all work together to find a way to support these important volunteer centers in our communities.

Senator McManus submitted the following:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning **Senate Bill No. 1066, entitled**

A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2005; to provide for the expenditure of those appropriations; to create certain funds and accounts; to require certain reports; to prescribe the powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

Recommends:

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

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

A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2005; to provide for the expenditure of those appropriations; to create certain funds and accounts; to require certain reports; to prescribe the powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of environmental quality for the fiscal year ending September 30, 2005, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF ENVIRONMENTAL QUALITY

| | | |
|--|---------|-----------------------|
| Full-time equated unclassified positions | 6.0 | |
| Full-time equated classified positions | 1,564.2 | |
| GROSS APPROPRIATION | | \$ 341,649,300 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 14,263,000 |
| ADJUSTED GROSS APPROPRIATION | | \$ 327,386,300 |
| Federal revenues: | | |
| Total federal revenues | | 133,766,800 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 445,900 |
| Total other state restricted revenues | | 164,450,800 |
| State general fund/general purpose | | \$ 28,722,800 |

FUND SOURCE SUMMARY:

| | | |
|--|---------|-----------------------|
| Full-time equated unclassified positions | 6.0 | |
| Full-time equated classified positions | 1,564.2 | |
| GROSS APPROPRIATION | | \$ 341,649,300 |

| | For Fiscal Year Ending Sept. 30, 2005 |
|--|---|
| Interdepartmental grant revenues: | |
| IDG-MDA | \$ 106,200 |
| IDG-MDCH, local public health operations | 10,472,500 |
| IDG-MDSP | 672,700 |
| IDG, Michigan transportation fund | 958,200 |
| IDT, interdivisional charges | 2,053,400 |
| Total interdepartmental grants and intradepartmental transfers | 14,263,000 |
| ADJUSTED GROSS APPROPRIATION | \$ 327,386,300 |
| Federal revenues: | |
| DHS, federal | 225,700 |
| DOC-NOAA, federal..... | 3,194,200 |
| DOD, federal | 485,600 |
| DOI, federal | 542,600 |
| EPA, brownfield cleanup revolving loan fund | 1,000,000 |
| EPA, multiple..... | 127,425,800 |
| FEMA, federal | 892,900 |
| Total federal revenues | 133,766,800 |
| Special revenue funds: | |
| Private funds | 445,900 |
| Total private revenues | 445,900 |
| Aboveground storage tank fees | 752,600 |
| Air emissions fees..... | 12,089,000 |
| Aquifer protection revolving fund..... | 450,000 |
| CESARS service fee | 27,700 |
| Clean Michigan initiative - administration | 3,081,600 |
| Clean Michigan initiative - clean water fund | 3,129,000 |
| Clean Michigan initiative - response activities | 2,455,600 |
| Cleanup and redevelopment fund | 20,951,100 |
| Commercial laboratory fees | 15,000 |
| Community pollution prevention fund..... | 250,000 |
| Drinking water revolving fund | 6,163,200 |
| Environmental education fund..... | 186,400 |
| Environmental pollution prevention fund | 1,516,100 |
| Environmental protection fund..... | 613,300 |
| Environmental response fund | 4,513,300 |
| Fees and collections..... | 1,152,400 |
| Financial instruments | 5,000,000 |
| Great Lakes protection fund..... | 2,516,800 |
| Groundwater discharge permit fees | 1,846,700 |
| Hazardous materials transportation permit fund..... | 94,300 |
| Land and water permit fees..... | 3,364,300 |
| Landfill maintenance trust fund | 50,600 |
| Manufactured housing commission fees..... | 621,200 |
| Medical waste emergency response fund | 250,400 |
| Metallic mining surveillance fee revenue | 68,800 |
| Mineral well regulatory fee revenue..... | 222,200 |
| NPDES fees | 3,092,400 |
| Oil and gas regulatory fund | 9,118,900 |
| Orphan well fund | 2,015,300 |
| Public utility assessments | 793,900 |
| Public water supply fees | 4,449,500 |
| Publication revenue..... | 109,900 |
| Refined petroleum fund | 11,921,000 |
| Retired engineers technical assistance fund | 1,500,000 |
| Revolving loan revenue bonds | 16,300,000 |
| Saginaw bay and river restoration revenue..... | 162,300 |

| | For Fiscal Year Ending Sept. 30, 2005 |
|---|---|
| Sand extraction fee revenue | \$ 188,000 |
| Scrap tire regulatory fund | 4,697,400 |
| Septage waste license fees | 2,060,300 |
| Settlement funds | 3,740,400 |
| Sewage sludge land application fee..... | 804,200 |
| Soil erosion and sedimentation control training fund..... | 106,300 |
| Solid waste program fees | 4,104,600 |
| Stormwater permit fees | 2,576,000 |
| Strategic water quality initiatives fund..... | 10,007,600 |
| Underground storage tank fees..... | 4,335,800 |
| Waste reduction fee revenue | 4,619,500 |
| Wastewater operator training fees | 174,800 |
| Water analysis fees | 3,084,200 |
| Water pollution control revolving fund | 2,946,900 |
| Water quality protection fund..... | 25,000 |
| Water use reporting fees | 135,000 |
| Total other state restricted revenues | 164,450,800 |
| State general fund/general purpose | \$ 28,722,800 |
| Sec. 102. EXECUTIVE | |
| Full-time equated unclassified positions | 6.0 |
| Full-time equated classified positions | 15.0 |
| Unclassified salaries—6.0 FTE positions | \$ 482,600 |
| Executive direction | |
| Salaries and fringe benefits—8.0 FTE positions | 696,400 |
| Travel..... | 26,400 |
| Other operational expenses | 160,800 |
| Subtotal - executive direction..... | 883,600 |
| Office of the Great Lakes | |
| Salaries and fringe benefits—7.0 FTE positions | 597,400 |
| Travel..... | 10,300 |
| Other operational expenses | 245,200 |
| Subtotal - office of the Great Lakes | 852,900 |
| GROSS APPROPRIATION | \$ 2,219,100 |
| Appropriated from: | |
| Federal revenues: | |
| DOI, federal..... | 127,700 |
| EPA, multiple..... | 107,600 |
| Special revenue funds: | |
| Environmental education fund..... | 186,400 |
| Environmental response fund | 45,100 |
| Great Lakes protection fund..... | 516,800 |
| Oil and gas regulatory fund | 93,900 |
| Refined petroleum fund | 210,600 |
| Settlement funds | 224,300 |
| State general fund/general purpose | \$ 706,700 |
| Sec. 103. DEPARTMENT SUPPORT SERVICES | |
| Full-time equated classified positions | 70.0 |
| Administrative hearings | |
| Salaries and fringe benefits—4.0 FTE positions | \$ 347,600 |
| Travel..... | 1,000 |
| Other operational expenses | 30,400 |
| Subtotal - administrative hearings | 379,000 |
| Automated data processing | 2,053,400 |
| Environmental support projects..... | 5,000,000 |
| Field operations support | |
| Salaries and fringe benefits—20.0 FTE positions | 1,197,100 |

| | For Fiscal Year Ending Sept. 30, 2005 |
|---|---|
| Travel..... | \$ 48,000 |
| Other operational expenses | 144,000 |
| Subtotal - field operations support | 1,389,100 |
| Financial and business services | |
| Salaries and fringe benefits—32.0 FTE positions | 1,387,800 |
| Travel..... | 5,600 |
| Other operational expenses | 238,900 |
| Subtotal - financial and business services | 1,632,300 |
| Human resource optimization user charges | 59,100 |
| Office of special environmental projects | |
| Salaries and fringe benefits—3.0 FTE positions | 374,900 |
| Travel..... | 2,000 |
| Other operational expenses | 50,900 |
| Subtotal - office of special environmental projects | 427,800 |
| Personnel | |
| Salaries and fringe benefits—11.0 FTE positions | 611,600 |
| Travel..... | 6,700 |
| Other operational expenses | 37,200 |
| Subtotal - personnel | 655,500 |
| Building occupancy charges..... | 7,274,200 |
| Rent - privately owned property..... | 1,836,900 |
| GROSS APPROPRIATION | \$ 20,707,300 |
| Appropriated from: | |
| Interdepartmental grant revenues: | |
| IDT, interdivisional charges | 2,053,400 |
| Federal revenues: | |
| EPA, multiple..... | 62,100 |
| Special revenue funds: | |
| Aboveground storage tank fees | 27,400 |
| Air emissions fees..... | 559,100 |
| Clean Michigan initiative - administration..... | 174,700 |
| Cleanup and redevelopment fund | 1,042,100 |
| Environmental pollution prevention fund | 58,600 |
| Environmental response fund | 1,444,100 |
| Fees and collections..... | 91,900 |
| Financial instruments..... | 5,000,000 |
| Groundwater discharge permit fees..... | 46,700 |
| Land and water permit fees..... | 105,900 |
| NPDES fees | 84,800 |
| Oil and gas regulatory fund | 1,254,400 |
| Public utility assessments | 11,600 |
| Public water supply fees | 510,000 |
| Refined petroleum fund | 3,635,600 |
| Scrap tire regulatory fund | 97,800 |
| Settlement funds | 184,100 |
| Sewage sludge land application fee..... | 36,300 |
| Solid waste program fees | 64,900 |
| Stormwater permit fees | 207,700 |
| Underground storage tank fees..... | 194,200 |
| Waste reduction fee revenue | 51,700 |
| Water analysis fees | 345,700 |
| Water pollution control revolving fund | 13,700 |
| Water use reporting fees | 7,700 |
| State general fund/general purpose | \$ 3,341,100 |

For Fiscal Year
Ending Sept. 30,
2005

Sec. 104. AIR QUALITY

| | | |
|---|-------|---------------|
| Full-time equated classified positions | 242.0 | |
| Air quality programs | | |
| Salaries and fringe benefits—242.0 FTE positions..... | | \$ 18,662,600 |
| Travel..... | | 426,000 |
| Other operational expenses | | 3,271,400 |
| Subtotal - air quality programs | | 22,360,000 |
| GROSS APPROPRIATION | | \$ 22,360,000 |
| Appropriated from: | | |
| Federal revenues: | | |
| EPA, multiple..... | | 5,009,800 |
| Special revenue funds: | | |
| Air emissions fees..... | | 10,347,500 |
| Environmental response fund..... | | 96,000 |
| Fees and collections..... | | 368,900 |
| Refined petroleum fund | | 2,975,000 |
| State general fund/general purpose | | \$ 3,562,800 |

Sec. 105. ENVIRONMENTAL SCIENCE AND SERVICES

| | | |
|--|-------|---------------|
| Full-time equated classified positions | 182.0 | |
| Environmental services | | |
| Salaries and fringe benefits—26.5 FTE positions | | \$ 2,031,000 |
| Travel..... | | 15,100 |
| Other operational expenses | | 402,000 |
| Subtotal - environmental services | | 2,448,100 |
| Laboratory services | | |
| Salaries and fringe benefits—68.0 FTE positions | | 4,247,700 |
| Travel..... | | 40,100 |
| Other operational expenses | | 1,833,000 |
| Subtotal - laboratory services..... | | 6,120,800 |
| Municipal assistance | | |
| Salaries and fringe benefits—35.5 FTE positions | | 1,936,000 |
| Travel..... | | 34,300 |
| Other operational expenses | | 3,018,000 |
| Subtotal - municipal assistance | | 4,988,300 |
| Pollution prevention and technical assistance | | |
| Salaries and fringe benefits—52.0 FTE positions | | 2,954,100 |
| Travel..... | | 77,700 |
| Other operational expenses | | 1,771,600 |
| Subtotal - pollution prevention and technical assistance | | 4,803,400 |
| Pollution prevention outreach | | 300,000 |
| Retired engineers technical assistance program | | 1,500,000 |
| Revitalization revolving loan program | | 1,000,000 |
| GROSS APPROPRIATION | | \$ 21,160,600 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG-MDA..... | | 106,200 |
| Federal revenues: | | |
| DOC-NOAA, federal..... | | 323,900 |
| EPA, brownfield cleanup revolving loan fund | | 1,000,000 |
| EPA, multiple..... | | 2,256,300 |
| Special revenue funds: | | |
| Private funds | | 300,000 |
| Air emissions fees..... | | 695,500 |
| Clean Michigan initiative - administration | | 153,600 |
| Clean Michigan initiative - response activities..... | | 1,655,600 |
| Commercial laboratory fees | | 15,000 |

| | For Fiscal Year Ending Sept. 30, 2005 |
|--|---|
| Drinking water revolving fund | \$ 1,325,300 |
| Environmental protection fund | 62,900 |
| Environmental response fund | 265,800 |
| Public water supply fees | 231,600 |
| Retired engineers technical assistance fund | 1,500,000 |
| Settlement funds | 385,800 |
| Stormwater permit fees | 89,800 |
| Strategic water quality initiatives fund | 207,600 |
| Waste reduction fee revenue | 4,116,100 |
| Wastewater operator training fees | 174,800 |
| Water analysis fees | 2,583,100 |
| Water pollution control revolving fund | 2,193,500 |
| State general fund/general purpose | \$ 1,518,200 |
| Sec. 106. GEOLOGICAL AND LAND MANAGEMENT | |
| Full-time equated classified positions | 192.0 |
| Program direction | |
| Salaries and fringe benefits—8.0 FTE positions | \$ 710,400 |
| Travel | 2,600 |
| Other operational expenses | 113,500 |
| Subtotal - program direction | 826,500 |
| Coal and sand dune management | |
| Salaries and fringe benefits—3.0 FTE positions | 126,000 |
| Travel | 2,500 |
| Other operational expenses | 474,400 |
| Subtotal - coal and sand dune management | 602,900 |
| Field permitting and project assistance | |
| Salaries and fringe benefits—69.0 FTE positions | 5,731,700 |
| Travel | 202,300 |
| Other operational expenses | 218,000 |
| Subtotal - field permitting and project assistance | 6,152,000 |
| Great Lakes shorelands | |
| Salaries and fringe benefits—28.0 FTE positions | 2,288,500 |
| Travel | 35,400 |
| Other operational expenses | 167,900 |
| Subtotal - Great Lakes shorelands | 2,491,800 |
| Metallic mine reclamation | |
| Salaries and fringe benefits—1.0 FTE positions | 9,000 |
| Travel | 3,200 |
| Other operational expenses | 56,600 |
| Subtotal - metallic mine reclamation | 68,800 |
| Mineral wells management | |
| Salaries and fringe benefits—3.0 FTE positions | 121,500 |
| Travel | 3,500 |
| Other operational expenses | 97,200 |
| Subtotal - mineral wells management | 222,200 |
| Orphan well | |
| Salaries and fringe benefits—2.0 FTE positions | 188,200 |
| Travel | 14,800 |
| Other operational expenses | 1,812,300 |
| Subtotal - orphan well | 2,015,300 |
| Services to oil and gas | |
| Salaries and fringe benefits—57.0 FTE positions | 4,644,300 |
| Travel | 171,100 |
| Other operational expenses | 2,072,200 |
| Subtotal - services to oil and gas | 6,887,600 |
| Water management | |

| | For Fiscal Year Ending Sept. 30, 2005 |
|--|---|
| Salaries and fringe benefits—21.0 FTE positions | \$ 2,276,400 |
| Travel..... | 30,900 |
| Other operational expenses | 386,100 |
| Subtotal - water management | 2,693,400 |
| GROSS APPROPRIATION | \$ 21,960,500 |
| Appropriated from: | |
| Interdepartmental grant revenues: | |
| IDG, Michigan transportation fund | 907,900 |
| Federal revenues: | |
| DOC-NOAA, federal..... | 1,344,700 |
| DOI, federal..... | 414,900 |
| EPA, multiple..... | 470,800 |
| FEMA, federal | 892,900 |
| Special revenue funds: | |
| Land and water permit fees..... | 2,705,500 |
| Metallic mining surveillance fee revenue..... | 68,800 |
| Mineral well regulatory fee revenue..... | 222,200 |
| Oil and gas regulatory fund | 6,777,700 |
| Orphan well fund..... | 2,015,300 |
| Publication revenue..... | 109,900 |
| Sand extraction fee revenue | 188,000 |
| State general fund/general purpose | \$ 5,841,900 |
| Sec. 107. REMEDIATION AND REDEVELOPMENT | |
| Full-time equated classified positions | 297.5 |
| Contaminated site investigation, cleanup, and revitalization | |
| Salaries and fringe benefits—230.5 FTE positions..... | \$ 17,779,100 |
| Travel..... | 457,100 |
| Other operational expenses | 2,648,600 |
| Subtotal - contaminated site investigation, cleanup, and revitalization..... | 20,884,800 |
| Federal cleanup project management | |
| Salaries and fringe benefits—67.0 FTE positions | 6,000,200 |
| Travel..... | 172,500 |
| Other operational expenses | 1,332,300 |
| Subtotal - federal cleanup project management..... | 7,505,000 |
| Emergency cleanup actions | 4,000,000 |
| State cleanup 451..... | 3,027,900 |
| Superfund cleanup | 4,000,000 |
| Dioxin bio-availability study..... | 800,000 |
| GROSS APPROPRIATION | \$ 40,217,700 |
| Appropriated from: | |
| Federal revenues: | |
| DOD, federal | 485,600 |
| EPA, multiple..... | 9,037,400 |
| Special revenue funds: | |
| Private funds | 145,900 |
| Clean Michigan initiative - administration..... | 2,189,500 |
| Clean Michigan initiative - response activities..... | 800,000 |
| Cleanup and redevelopment fund | 18,809,000 |
| Environmental protection fund..... | 550,400 |
| Environmental response fund | 2,000,000 |
| Landfill maintenance trust fund | 50,600 |
| Refined petroleum fund | 4,200,000 |
| Settlement funds | 1,949,300 |
| State general fund/general purpose | \$ 0 |

For Fiscal Year
Ending Sept. 30,
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Sec. 108. WASTE AND HAZARDOUS MATERIALS

| | | |
|---|-------|---------------|
| Full-time equated classified positions | 183.5 | |
| Aboveground storage tank program | | |
| Salaries and fringe benefits—8.0 FTE positions | | \$ 554,700 |
| Travel..... | | 41,500 |
| Other operational expenses | | 129,000 |
| Subtotal - aboveground storage tank program | | 725,200 |
| Hazardous waste management program | | |
| Salaries and fringe benefits—61.0 FTE positions | | 4,085,600 |
| Travel..... | | 63,500 |
| Other operational expenses | | 1,472,500 |
| Subtotal - hazardous waste management program..... | | 5,621,600 |
| Low-level radioactive waste authority | | |
| Salaries and fringe benefits—2.0 FTE positions | | 169,300 |
| Travel..... | | 4,000 |
| Other operational expenses | | 604,900 |
| Subtotal - low-level radioactive waste authority..... | | 778,200 |
| Medical waste program | | 250,400 |
| Radiological protection program | | |
| Salaries and fringe benefits—16.5 FTE positions | | 959,800 |
| Travel..... | | 28,600 |
| Other operational expenses | | 576,600 |
| Subtotal - radiological protection program..... | | 1,565,000 |
| Scrap tire regulatory program | | |
| Salaries and fringe benefits—11.0 FTE positions | | 673,300 |
| Travel..... | | 22,000 |
| Other operational expenses | | 260,500 |
| Subtotal - scrap tire regulatory program | | 955,800 |
| Solid waste management program | | |
| Salaries and fringe benefits—50.0 FTE positions | | 3,221,900 |
| Travel..... | | 97,900 |
| Other operational expenses | | 726,800 |
| Subtotal - solid waste management program..... | | 4,046,600 |
| Underground storage tank program | | |
| Salaries and fringe benefits—35.0 FTE positions | | 1,962,000 |
| Travel..... | | 117,100 |
| Other operational expenses | | 2,137,000 |
| Subtotal - underground storage tank program | | 4,216,100 |
| GROSS APPROPRIATION | | \$ 18,158,900 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG-MDSP | | 672,700 |
| Federal revenues: | | |
| EPA, multiple..... | | 3,611,100 |
| Special revenue funds: | | |
| Aboveground storage tank fees | | 725,200 |
| Environmental pollution prevention fund..... | | 1,457,500 |
| Hazardous materials transportation permit fund..... | | 94,300 |
| Medical waste emergency response fund | | 250,400 |
| Public utility assessments | | 778,200 |
| Scrap tire regulatory fund | | 955,800 |
| Solid waste program fees | | 3,979,700 |
| Underground storage tank fees..... | | 3,967,700 |
| Waste reduction fee revenue | | 66,900 |
| State general fund/general purpose | | \$ 1,599,400 |

For Fiscal Year
Ending Sept. 30,
2005

| | |
|--|---------------|
| Sec. 109. WATER | |
| Full-time equated classified positions | 360.2 |
| Aquifer protection program | |
| Salaries and fringe benefits | \$ 198,000 |
| Travel..... | 2,700 |
| Other operational expenses | 449,300 |
| Subtotal - aquifer protection program | 650,000 |
| Drinking water | |
| Salaries and fringe benefits—84.2 FTE positions | 6,549,100 |
| Travel..... | 137,900 |
| Other operational expenses | 6,307,700 |
| Subtotal - drinking water | 12,994,700 |
| Environmental health | |
| Salaries and fringe benefits—30.0 FTE positions | 2,505,600 |
| Travel..... | 68,800 |
| Other operational expenses | 448,300 |
| Subtotal - environmental health | 3,022,700 |
| Fish contaminant monitoring | |
| | 316,100 |
| Groundwater discharge | |
| Salaries and fringe benefits—22.0 FTE positions | 1,651,600 |
| Travel..... | 12,000 |
| Other operational expenses | 252,800 |
| Subtotal - groundwater discharge..... | 1,916,400 |
| NPDES nonstormwater program | |
| Salaries and fringe benefits—121.4 FTE positions..... | 8,526,700 |
| Travel..... | 135,000 |
| Other operational expenses | 811,300 |
| Subtotal - NPDES nonstormwater program..... | 9,473,000 |
| Sewage sludge land application program | |
| Salaries and fringe benefits—6.5 FTE positions | 441,100 |
| Travel..... | 26,600 |
| Other operational expenses | 300,200 |
| Subtotal - sewage sludge land application program..... | 767,900 |
| Surface water | |
| Salaries and fringe benefits—96.1 FTE positions | 8,025,400 |
| Travel..... | 188,000 |
| Other operational expenses | 6,517,300 |
| Subtotal - surface water | 14,730,700 |
| GROSS APPROPRIATION | \$ 43,871,500 |
| Appropriated from: | |
| Federal revenues: | |
| EPA, multiple..... | 13,486,300 |
| Special revenue funds: | |
| Aquifer protection revolving fund..... | 450,000 |
| CESARS service fee | 27,700 |
| Clean Michigan initiative - administration | 563,800 |
| Clean Michigan initiative - clean water fund | 3,129,000 |
| Drinking water revolving fund | 3,422,300 |
| Environmental response fund | 155,100 |
| Fees and collections..... | 691,600 |
| Groundwater discharge permit fees..... | 1,800,000 |
| Land and water permit fees..... | 446,200 |
| Manufactured housing commission fees..... | 621,200 |
| NPDES fees | 3,007,600 |
| Public water supply fees | 2,042,600 |
| Refined petroleum fund | 816,100 |

| | For Fiscal Year Ending Sept. 30, 2005 |
|--|---|
| Saginaw bay and river restoration revenue..... | \$ 162,300 |
| Septage waste license fees | 535,300 |
| Sewage sludge land application fee..... | 767,900 |
| Soil erosion and sedimentation control training fund | 106,300 |
| Stormwater permit fees | 2,278,500 |
| Water pollution control revolving fund | 619,900 |
| Water use reporting fees | 127,300 |
| State general fund/general purpose | \$ 8,614,500 |
| Sec. 110. CRIMINAL INVESTIGATIONS | |
| Full-time equated classified positions | 22.0 |
| Environmental investigations | |
| Salaries and fringe benefits—22.0 FTE positions | \$ 1,681,800 |
| Travel..... | 27,100 |
| Other operational expenses | 417,500 |
| Subtotal - environmental investigations..... | 2,126,400 |
| GROSS APPROPRIATION | \$ 2,126,400 |
| Appropriated from: | |
| Federal revenues: | |
| DHS, federal..... | 225,700 |
| EPA, multiple..... | 139,700 |
| Special revenue funds: | |
| Environmental response fund..... | 100,100 |
| Oil and gas regulatory fund | 120,900 |
| Scrap tire regulatory fund | 62,500 |
| State general fund/general purpose | \$ 1,477,500 |
| Sec. 111. GRANTS | |
| Coastal management grants..... | \$ 1,800,000 |
| Federal - Great Lakes remedial action plan grants | 700,000 |
| Federal - nonpoint source water pollution grants | 6,500,000 |
| Grants to counties—air pollution | 83,700 |
| Radon grants | 134,300 |
| Water pollution control and drinking water revolving fund..... | 112,153,500 |
| Drinking water revolving fund implementation..... | 1,330,000 |
| Great Lakes research and protection grants..... | 2,000,000 |
| Local health department operations..... | 10,472,500 |
| Noncommunity water grants | 1,400,000 |
| Pollution prevention local grants..... | 250,000 |
| Real-time water quality monitoring..... | 250,000 |
| Septage waste compliance grants | 1,525,000 |
| Scrap tire grants..... | 3,500,000 |
| Volunteer river, stream, and creek cleanup..... | 25,000 |
| GROSS APPROPRIATION | \$ 142,124,000 |
| Appropriated from: | |
| Interdepartmental grant revenues | |
| IDG-MDCH, local public health operations | 10,472,500 |
| Federal revenues: | |
| DOC-NOAA, federal..... | 1,500,000 |
| EPA, multiple..... | 92,590,000 |
| Special revenue funds: | |
| Community pollution prevention fund..... | 250,000 |
| Drinking water revolving fund | 1,330,000 |
| Great Lakes protection fund..... | 2,000,000 |
| Public water supply fees | 1,400,000 |
| Refined petroleum fund | 83,700 |
| Revolving loan revenue bonds | 16,300,000 |
| Scrap tire regulatory fund | 3,500,000 |

| | For Fiscal Year Ending Sept. 30, 2005 |
|--|---|
| Septage waste license fees | \$ 1,525,000 |
| Settlement funds | 199,000 |
| Strategic water quality initiatives fund..... | 9,800,000 |
| Water quality protection fund..... | 25,000 |
| State general fund/general purpose | \$ 1,148,800 |
| Sec. 112. INFORMATION TECHNOLOGY | |
| Information technology services and projects | \$ 6,743,300 |
| GROSS APPROPRIATION | \$ 6,743,300 |
| Appropriated from: | |
| Interdepartmental grant revenues | |
| IDG, Michigan transportation fund | 50,300 |
| Federal revenues: | |
| DOC-NOAA, federal..... | 25,600 |
| EPA, multiple..... | 654,700 |
| Special revenue funds: | |
| Air emissions fees..... | 486,900 |
| Cleanup and redevelopment fund | 1,100,000 |
| Drinking water revolving fund | 85,600 |
| Environmental response fund | 407,100 |
| Land and water permit fees..... | 106,700 |
| Oil and gas regulatory fund | 872,000 |
| Public utility assessments | 4,100 |
| Public water supply fees | 265,300 |
| Scrap tire regulatory fund | 81,300 |
| Settlement funds | 797,900 |
| Solid waste program fees | 60,000 |
| Underground storage tank fees..... | 173,900 |
| Waste reduction fee revenue | 384,800 |
| Water analysis fees | 155,400 |
| Water pollution control revolving fund | 119,800 |
| State general fund/general purpose | \$ 911,900 |

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 2004-2005 is \$193,173,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2004-2005 is \$18,695,500.00. 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 | \$ 83,700 |
| Local health department operations..... | 10,472,500 |
| Septage waste compliance program..... | 1,525,000 |
| Scrap tire grants..... | 3,500,000 |
| Noncommunity water grants | 1,400,000 |
| Radon grants..... | 134,300 |
| Real-time water quality monitoring..... | 250,000 |
| Drinking water grants | 1,330,000 |
| TOTAL..... | \$ 18,695,500 |

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

Sec. 203. As used in this act:

- (a) "CESARS" means chemical evaluation search and retrieval system.
- (b) "Department" means the department of environmental quality.
- (c) "DHS" means the United States department of homeland security.
- (d) "DOC" means the United States department of commerce.

- (e) "DOC-NOAA" means the DOC national oceanic and atmospheric administration.
- (f) "DOD" means the United States department of defense.
- (g) "DOI" means the United States department of interior.
- (h) "EPA" means the United States environmental protection agency.
- (i) "FEMA" means the federal emergency management agency.
- (j) "FTE" means full-time equated.
- (k) "IDG" means interdepartmental grant.
- (l) "IDT" means intradepartmental transfer.
- (m) "MDA" means the Michigan department of agriculture.
- (n) "MDCH" means the Michigan department of community health.
- (o) "MDSP" means the Michigan department of state police.
- (p) "MI" means Michigan.
- (q) "NPDES" means national pollutant discharge elimination system.

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

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

(2) The state budget director shall grant exceptions to the hiring freeze described in subsection (1) when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause a loss of revenue to the state, result in the inability of the state to receive federal funds, or would necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

Sec. 206. The department shall use the Internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

Sec. 207. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports. To the extent consistent with federal and state guidelines, the requirements of this section are satisfied if the reports funded from appropriations in part 1 are retained in electronic format.

Sec. 208. By February 15, 2005, the department shall provide the state budget director, the subcommittees on natural resources and environmental quality of the senate and house appropriations committees, and the senate and house fiscal agencies with an annual report on restricted fund balances, projected revenues, and expenditures for the fiscal years ending September 30, 2004 and September 30, 2005.

Sec. 209. (1) From funds appropriated under part 1, the department shall prepare a report that lists all of the following regarding grant or loan or grant and loan programs administered by the department for the fiscal year ending September 30, 2005:

- (a) The name of each program.
 - (b) The goals of the program, the criteria, eligibility, process, filing fees, nominating procedures, and deadlines for each program.
 - (c) The maximum and minimum grant and loan available and whether there is a match requirement for each program.
 - (d) The amount of any required match, and whether in-kind contributions may be used as part or all of a required match.
 - (e) Information pertaining to the application process, timeline for each program, and the contact people within the department.
 - (f) The source of funds for each program, including the citation of pertinent authorizing acts.
 - (g) Information regarding plans for the next fiscal year for the phaseout, expansion, or changes for each program.
 - (h) A listing of all recipients of grants or loans awarded by the department by type and amount of grant or loan.
- (2) The reports required under this section shall be submitted to the state budget office, the senate and house appropriations committees, and senate and house fiscal agencies by January 1, 2005.

Sec. 210. The department shall notify the legislature and shall provide a public meeting and public comment opportunity with respect to any request received by the state of Michigan to divert water from the Great Lakes pursuant to the water resources development act of 1986, Public Law 99-662, 100 Stat. 4082.

Sec. 211. (1) The department shall report all of the following information relative to allocations made from appropriations for the environmental cleanup and redevelopment program, state cleanup, emergency actions, superfund cleanup, the revitalization revolving loan program, the brownfield grants and loans program, the leaking underground storage tank cleanup program, the contaminated lake and river sediments cleanup program, and the environmental protection bond projects under section 19508(7) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19508, to the state budget director, the senate and house appropriations subcommittees on environmental quality, and the senate and house fiscal agencies:

- (a) The name and location of the site for which an allocation is made.
- (b) The nature of the problem encountered at the site.
- (c) A brief description of how the problem will be resolved if the allocation is made for a response activity.
- (d) The estimated date that site closure activities will be completed.
- (e) The amount of the allocation, or the anticipated financing for the site.
- (f) A summary of the sites and the total amount of funds expended at the sites at the conclusion of the fiscal year.
- (g) The number of sites that would qualify as brownfields that were redeveloped.

(2) The report prepared under subsection (1) shall also include all of the following:

(a) The status of all state-owned facilities that are on the list compiled under part 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20142.

(b) The report shall include the total amount of funds expended during the fiscal year and the total amount of funds awaiting expenditure.

(c) The total amount of bonds issued for the environmental protection bond program pursuant to part 193 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19301 to 324.19306, and bonds issued pursuant to the clean Michigan initiative act, 1998 PA 284, MCL 324.95101 to 324.95108.

(3) The report shall be made available by March 31 of each year.

Sec. 212. (1) The department of environmental quality is authorized to expend amounts remaining from the current and prior fiscal year appropriations to meet funding needs of legislatively approved sites for the environmental cleanup and redevelopment program and the leaking underground storage tank cleanup program.

(2) Unexpended and unencumbered amounts remaining from appropriations from the environmental protection bond fund contained in 2003 PA 173, are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(3) Unexpended and unencumbered amounts remaining from appropriations from the cleanup and redevelopment fund and unclaimed bottle deposits fund contained in 2003 PA 171, 2003 PA 173, and 2003 PA 237 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(4) Unexpended and unencumbered amounts remaining from appropriations from the clean Michigan initiative fund - response activities contained in 2000 PA 52, 2001 PA 120, 2003 PA 173, and 2003 PA 237 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(5) Unexpended and unencumbered amounts remaining from appropriations from the environmental protection fund contained in 2001 PA 43, 2002 PA 520, and 2003 PA 171 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

Sec. 213. Of the money appropriated from the environmental education fund in part 1, \$5,000.00 shall be allocated to Michigan State University Extension Service - 4-H Youth Programs to fund the Michigan Youth Conservation Council.

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

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

Sec. 216. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2005 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Sec. 217. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality.

Sec. 218. The department shall collaborate with the statewide public advisory council, local advisory councils, the United States environmental protection agency and other appropriate federal agencies, the department of natural resources, and other appropriate parties to develop a long-term strategy to restore and formally remove Michigan's Great Lakes areas of concern from the federal listing. Among other information, the strategy should include a list of cleanup, source control, monitoring, and assessment activities eligible for funding under the federal Great Lakes legacy act; their estimated cost; options for meeting any nonfederal funding match requirements for these activities, including recommendations for changes to existing appropriations and program expenditures to qualify as matching funds for federal grant programs; a description of the optimum staffing level for the areas of concern program and available funding options; and a description of the department's role in seeking the formal removal of areas of concern, or specific beneficial use impairments, from the federal list, including minimum cleanup goals for identified impairments based on applicable state and federal regulatory standards and the monitoring programs available for assessing progress in achieving those goals. In addition, the department shall strive to apply for an equitable share of federal funding and technical assistance available to support the area of concern program and strive to provide the funds needed to meet nonfederal funding requirements.

DEPARTMENT SUPPORT SERVICES

Sec. 301. In addition to the annual report on travel expenditures required by section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, the department shall provide to the senate and house appropriations subcommittees on natural resources and the senate and house fiscal agencies a quarterly report within 30 days of the end of each quarter on expenses incurred for travel inside and outside the state. The report shall include, but not be limited to, the name of the person who traveled, total expenditures for compensation, fees, or remuneration for meals, transportation, and related contractual services, supplies, and materials, and the destination, reason for, and dates of the travel.

AIR QUALITY

Sec. 401. The department shall report quarterly, via the department's Internet website, on air quality program expenditures and revenues. The report shall include expenditures and revenues by fund source and by program function.

ENVIRONMENTAL SCIENCE AND SERVICES

Sec. 501. By July 1, 2005, the department shall prepare and submit a report to the state budget director, the legislature, the chairs of the standing committees of the senate and house of representatives with primary responsibility for issues related to natural resources and the environment, and the chairs of the subcommittees of the senate and house appropriations committees with primary responsibility for appropriations for the department of environmental quality, outlining the implementation of the Great Lakes water quality bond provided for in part 197 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19701 to 324.19708, including, but not limited to, the amount of bonds issued and the date they were issued, the number of applications received for loans from the state water pollution control revolving fund created in section 16a of the shared credit rating act, 1985 PA 227, MCL 141.1066a, the total amount of loans requested, a listing of the applicants receiving loans and the total amount of loans provided to those applicants, a listing of applicants whose loan applications were not approved and the reasons why those applications were not approved, the amount of the loans granted that were leveraged from bond proceeds, and the remaining bond proceeds and bond authorization.

Sec. 502. If contracts are let for laboratory work to be paid for using funds appropriated under part 1, the contracts shall be awarded giving first preference to those laboratories that are successful participants in the laboratory data quality recognition program, as provided in section 20505 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20505.

GEOLOGICAL AND LAND MANAGEMENT

Sec. 602. The department may waive permit fees for nonprofit organizations conducting approved stream habitat improvement projects.

Sec. 603. From the funds appropriated in part 1, the department shall complete the wetland inventory in 100% of counties by August 30, 2005. If the wetland inventory is not completed, the appropriation in part 1 for state general fund/general purpose shall be reduced by \$5,000,000.00.

REMEDICATION AND REDEVELOPMENT

Sec. 701. The unexpended funds appropriated in part 1 for emergency cleanup actions are considered work project appropriations and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the projects to be carried forward is to provide contaminated site cleanup.
- (b) The projects will be accomplished by contract.
- (c) The total estimated cost of all projects is identified in each line-item appropriation.
- (d) The tentative completion date is September 30, 2009.

Sec. 702. (1) The appropriation in part 1 for a dioxin bio-availability study shall be used by the department to contract with an out-of-state university or other qualified organization to conduct a bio-availability study and report on dioxin. The contract shall require that the study and report be completed within 6 months after the effective date of this act and that the report be peer-reviewed by the Michigan environmental science board within 3 months after its completion. The department shall provide a copy of the report to the house and senate appropriations committees within 9 months after the effective date of this act.

(2) As used in this section, "dioxin" means 1 or more structurally related chlorinated dibenzodioxin and chlorinated dibenzofuran chemicals.

WASTE AND HAZARDOUS MATERIALS

Sec. 801. The recycling coordinator shall conduct a study of the state's capacity to handle material recovered for recycling, the feasibility of collecting and transporting the material for recycling within the state, and the ability of the state to sustain markets for products containing recycled content. The department shall make recommendations for improving and expanding recycling in the state in a report submitted to the legislature, the state budget director, and the senate and house fiscal agencies no later than December 30, 2004.

Sec. 802. By February 1, 2005, the department shall submit to the chairpersons of the senate and house of representatives standing committees on appropriations, the chairpersons of the senate and house appropriations subcommittees on environmental quality, the state budget director, and the senate and house fiscal agencies a report on out-of-state waste disposed of in landfills in this state. The report shall include, but not be limited to, the amount, type, and state of origin for all out-of-state waste.

WATER

Sec. 901. By February 1, 2005, the department shall submit a report on the department's use of the national pollutant discharge elimination system fund created in MCL 324.3121 for the previous fiscal year, to the senate and house appropriations subcommittees on environmental quality and natural resources, the standing committees of the legislature with jurisdiction over issues primarily related to natural resources and the environment, and the senate and house fiscal agencies. The report shall include a summary of how the appropriations in part 1 for NPDES nonstormwater program were used for the various permissible uses of the fund and shall include specific information on all of the following:

- (a) The number of compliance and complaint inspections completed, by category, the number of on-site compliance inspections conducted, and the number of compliance inspections that were not announced in advance to the permittee or licensee.
- (b) The number and percent of permit and license inspections that were found to be in significant noncompliance, by category.
- (c) The number of administrative enforcement actions taken for permit or license violations and the results of the enforcement actions, including the amount of fines and penalties collected.
- (d) The number of judicial enforcement actions taken for permit or license violations and the results of the enforcement actions, including the amount of fines and penalties collected.
- (e) A listing of the supplemental environmental projects agreed to as a result of a consent agreement including all of the following: the case name, the monetary value of the supplemental environmental project, and a description of the project.

Sec. 902. Of the funds appropriated in part 1 for safe drinking water assistance activities under part 54 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.5401 to 324.5418, the department shall allocate the full 2% available for technical assistance under 42 USC 300j-12.

Sec. 903. The appropriation in part 1 for a real-time water quality monitoring grant is a grant to the city of Algonac to conduct a pilot project of a real-time water quality monitoring program in the St. Clair watershed. By September 30, 2005, the city of Algonac shall report to the department on the plan, implementation, and status of the pilot project. The department shall forward the report to the state budget director, the senate and house appropriations subcommittees

on environmental quality, the senate and house standing committees on natural resources and environmental issues, and the senate and house fiscal agencies.

Sec. 904. The appropriation in part 1 for other operational expenses for surface water includes \$25,000.00 for water quality monitoring at strategic public beaches on the Great Lakes in Van Buren, Ottawa, and Allegan Counties.

CRIMINAL INVESTIGATIONS

Sec. 1001. From funds appropriated in part 1, the department shall conduct periodic inspections of imported solid waste at disposal facilities to mitigate the unpermitted disposal of waste at Michigan disposal sites.

GRANTS

Sec. 1101. If a certified health department does not exist in a city, county, or district or does not fulfill its responsibilities under part 117 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11701 to 324.11719, 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. 1102. Of the funds appropriated in part 1 for scrap tire grants, \$100,000.00 shall be available for grants to communities to cover scrap tire fire suppression costs, provided owner liability bonds and other available funding sources have been exhausted.

Sec. 1103. The appropriation in part 1 for Great Lakes research and protection grants includes \$100,000.00 for a fish barrier challenge grant for completion of an electrical dispersal barrier by the United States army corps of engineers in Romeoville, Illinois to prevent the introduction of aquatic alien invasive species to the Great Lakes. The grant shall not be expended unless the total funding contributed by the federal government, affected states and provinces, and other parties is sufficient to complete the project, as determined by the parties to the dispersal barrier agreement.

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

A bill to make appropriations for the department of environmental quality for the fiscal year ending September 30, 2005; to provide for the expenditure of those appropriations; to create certain funds and accounts; to require certain reports; to prescribe the powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

Michelle McManus
Mike Goschka
Conferees for the Senate

John Pastor
John Moolenaar
Rich Brown
Conferees for the House

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

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

The question being on the adoption of the conference report,

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

Roll Call No. 628

Yeas—33

| | | | |
|----------|-------------|---------|-------------|
| Allen | Clarke | Jacobs | Sanborn |
| Barcia | Cropsey | Jelinek | Schauer |
| Basham | Garcia | Johnson | Sikkema |
| Birkholz | George | Kuipers | Stamas |
| Bishop | Gilbert | Leland | Switalski |
| Brater | Goschka | McManus | Thomas |
| Brown | Hammerstrom | Olshove | Toy |
| Cassis | Hardiman | Prusi | Van Woerkom |
| Cherry | | | |

Nays—1

Patterson

Excused—4

Bernero

Clark-Coleman

Emerson

Scott

Not Voting—0

In The Chair: President

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

Senator McManus submitted the following:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning **Senate Bill No. 1068, entitled**

A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2005; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

Recommends:

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

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

A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2005; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of natural resources for the fiscal year ending September 30, 2005, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF NATURAL RESOURCES

APPROPRIATION SUMMARY:

| | | |
|--|---------|-----------------------|
| Full-time equated unclassified positions | 6.0 | |
| Full-time equated classified positions | 2,064.5 | |
| GROSS APPROPRIATION | | \$ 264,335,400 |
| Interdepartmental grant revenues: | | |
| Total interdepartmental grants and intradepartmental transfers | | 3,528,700 |
| ADJUSTED GROSS APPROPRIATION | | \$ 260,806,700 |
| Federal revenues: | | |
| Total federal revenues | | 37,195,200 |
| Special revenue funds: | | |
| Total local revenues | | 0 |
| Total private revenues | | 2,024,300 |
| Total other state restricted revenues | | 192,702,200 |
| State general fund/general purpose | | \$ 28,885,000 |

FUND SOURCE SUMMARY

| | | |
|--|---------|-----------------------|
| Full-time equated unclassified positions | 6.0 | |
| Full-time equated classified positions | 2,064.5 | |
| GROSS APPROPRIATION | | \$ 264,335,400 |

| | For Fiscal Year Ending Sept. 30, 2005 |
|--|---|
| Interdepartmental grant revenues: | |
| IDG, engineering services to work orders | \$ 1,511,300 |
| IDG, land acquisition services to work orders | 681,600 |
| IDG, MacMullan conference center revenue | 1,335,800 |
| Total interdepartmental grants and intradepartmental transfers | 3,528,700 |
| ADJUSTED GROSS APPROPRIATION | \$ 260,806,700 |
| Federal revenues: | |
| DAG, federal..... | 6,899,200 |
| DHS-USCG, federal..... | 2,538,100 |
| DOC, federal..... | 63,600 |
| DOD, federal | 32,100 |
| DOE, federal..... | 1,000 |
| DOI, federal | 22,152,900 |
| DOI, oil and gas royalty revenue | 150,000 |
| DOI, timber revenue | 3,300,000 |
| DOT, federal | 1,800,000 |
| EPA, federal..... | 258,300 |
| Total federal revenues | 37,195,200 |
| Special revenue funds: | |
| Private funds | 1,524,300 |
| Private - gift revenues | 500,000 |
| Total private revenues | 2,024,300 |
| Aircraft fees..... | 229,500 |
| Air photo - geographic information system..... | 39,600 |
| Cervidae licensing and inspection fees | 93,500 |
| Clean Michigan initiative fund..... | 284,000 |
| Commercial forest fund | 23,900 |
| Delinquent property tax administration fund..... | 36,100 |
| Forest development fund..... | 28,507,400 |
| Forestland user charges..... | 276,800 |
| Forest recreation fund | 1,205,800 |
| Game and fish protection fund | 60,643,900 |
| Game and fish protection fund - deer habitat reserve..... | 2,480,900 |
| Game and fish protection fund - fisheries settlement | 883,800 |
| Game and fish protection fund - turkey permit fees | 1,525,600 |
| Game and fish protection fund - waterfowl fees..... | 95,600 |
| Game and fish - wildlife resource protection fund | 1,441,600 |
| Harbor development fund..... | 269,600 |
| Land exchange facilitation fund | 5,757,800 |
| Marine safety fund..... | 4,507,000 |
| Michigan civilian conservation corps endowment fund | 1,094,300 |
| Michigan natural resources trust fund | 3,725,200 |
| Michigan state parks endowment fund | 12,067,400 |
| Michigan state waterways fund | 15,319,800 |
| Nongame wildlife fund | 644,700 |
| Off-road vehicle trail improvement fund..... | 2,843,200 |
| Park improvement fund..... | 35,626,300 |
| Publications revenue | 62,800 |
| Recreation improvement fund | 1,452,800 |
| Safety education fund | 202,900 |
| Shop fees | 59,700 |
| Snowmobile registration fee revenue | 1,815,600 |
| Snowmobile trail improvement fund | 9,459,400 |
| Youth hunting and fishing education and outreach fund..... | 25,700 |
| Total other state restricted revenues | 192,702,200 |
| State general fund/general purpose | \$ 28,885,000 |

For Fiscal Year
Ending Sept. 30,
2005

Sec. 102. EXECUTIVE

| | | |
|--|------|---------------------|
| Full-time equated unclassified positions | 6.0 | |
| Full-time equated classified positions | 43.6 | |
| Commission (including travel expense—per diem) | | \$ 58,300 |
| Unclassified salaries—6.0 FTE positions | | 416,500 |
| Education and outreach—31.6 FTE positions | | 3,189,000 |
| Executive direction—12.0 FTE positions | | 1,920,800 |
| Travel..... | | 136,400 |
| GROSS APPROPRIATION | | \$ 5,721,000 |

Appropriated from:

Interdepartmental grant revenues:

| | | |
|--|--|--------|
| IDG, MacMullan conference center revenue | | 21,900 |
|--|--|--------|

Special revenue funds:

| | | |
|--|--|------------|
| Aircraft fees | | 500 |
| Air photo - geographic information system..... | | 10,800 |
| Forest development fund | | 179,700 |
| Forestland user charges | | 6,200 |
| Forest recreation fund | | 20,500 |
| Game and fish protection fund | | 1,755,600 |
| Game and fish protection fund - deer habitat reserve..... | | 18,600 |
| Game and fish protection fund - turkey permit fees | | 5,200 |
| Game and fish protection fund - waterfowl fees..... | | 900 |
| Game and fish - wildlife resource protection fund | | 9,900 |
| Harbor development fund..... | | 600 |
| Land exchange facilitation fund | | 38,300 |
| Marine safety fund | | 27,200 |
| Michigan civilian conservation corps endowment fund | | 2,500 |
| Michigan natural resources trust fund | | 7,800 |
| Michigan state parks endowment fund | | 40,200 |
| Michigan state waterways fund | | 276,800 |
| Nongame wildlife fund | | 11,900 |
| Off-road vehicle trail improvement fund..... | | 2,800 |
| Park improvement fund | | 2,273,400 |
| Publications revenue | | 500 |
| Recreation improvement fund | | 15,900 |
| Snowmobile registration fee revenue | | 4,300 |
| Snowmobile trail improvement fund | | 33,100 |
| Youth hunting and fishing education and outreach fund..... | | 25,700 |
| State general fund/general purpose | | \$ 930,200 |

Sec. 103. ADMINISTRATIVE SERVICES

| | | |
|---|-------|----------------------|
| Full-time equated classified positions | 218.2 | |
| Budget and support services—10.0 FTE positions | | \$ 856,700 |
| Financial services—24.0 FTE positions | | 2,196,800 |
| Grants, contracts, and customer systems—31.0 FTE positions..... | | 5,492,500 |
| Human resources—22.0 FTE positions | | 2,054,100 |
| Human resources optimization user charges..... | | 88,600 |
| Land and facilities—120.2 FTE positions | | 14,784,500 |
| Program assistance and review—11.0 FTE positions | | 751,400 |
| Travel..... | | 265,000 |
| GROSS APPROPRIATION | | \$ 26,489,600 |

Appropriated from:

Interdepartmental grant revenues:

| | | |
|---|--|-----------|
| IDG, engineering services to work orders | | 1,511,300 |
| IDG, land acquisition services to work orders | | 681,600 |
| IDG, MacMullan conference center revenue | | 1,313,900 |

Federal revenues:

| | | |
|--------------------|--|---------|
| DOI, federal | | 333,300 |
|--------------------|--|---------|

For Fiscal Year
Ending Sept. 30,
2005

| | |
|---|---------------|
| Special revenue funds: | |
| Aircraft fees | \$ 118,800 |
| Air photo - geographic information system..... | 700 |
| Clean Michigan initiative fund..... | 284,000 |
| Forest development fund..... | 1,745,300 |
| Forestland user charges | 1,000 |
| Forest recreation fund | 31,400 |
| Game and fish protection fund | 9,165,200 |
| Game and fish protection fund - deer habitat reserve..... | 19,600 |
| Game and fish protection fund - turkey permit fees | 8,500 |
| Game and fish protection fund - waterfowl fees..... | 800 |
| Game and fish - wildlife resource protection fund | 16,300 |
| Harbor development fund..... | 12,200 |
| Land exchange facilitation fund | 5,677,900 |
| Marine safety fund..... | 229,800 |
| Michigan civilian conservation corps endowment fund | 74,900 |
| Michigan natural resources trust fund | 668,300 |
| Michigan state parks endowment fund | 118,100 |
| Michigan state waterways fund | 734,600 |
| Nongame wildlife fund | 27,600 |
| Off-road vehicle trail improvement fund..... | 86,900 |
| Park improvement fund | 2,217,400 |
| Publications revenue | 62,300 |
| Recreation improvement fund | 24,800 |
| Shop fees | 1,400 |
| Snowmobile registration fee revenue | 69,400 |
| Snowmobile trail improvement fund | 81,700 |
| State general fund/general purpose | \$ 1,170,600 |
| Sec. 104. DEPARTMENTAL OPERATION SUPPORT | |
| Building occupancy charges..... | \$ 1,931,300 |
| Rent - privately owned property..... | 335,700 |
| Gifts and bequests..... | 500,000 |
| GROSS APPROPRIATION | \$ 2,767,000 |
| Appropriated from: | |
| Special revenue funds: | |
| Private - gift revenues | 500,000 |
| Forest development fund..... | 633,700 |
| Game and fish protection fund..... | 706,300 |
| Marine safety fund..... | 43,200 |
| Michigan state parks endowment fund | 203,900 |
| Michigan state waterways fund..... | 198,800 |
| Michigan natural resources trust fund | 60,500 |
| Park improvement fund..... | 268,200 |
| Snowmobile trail improvement fund | 20,100 |
| State general fund/general purpose | \$ 132,300 |
| Sec. 105. WILDLIFE MANAGEMENT | |
| Full-time equated classified positions | 191.0 |
| Wildlife administration—14.5 FTE positions | \$ 1,491,500 |
| Wildlife management—158.5 FTE positions..... | 22,296,200 |
| Natural resources heritage—18.0 FTE positions | 1,187,000 |
| State game and wildlife area maintenance | 200,000 |
| Travel..... | 1,173,600 |
| GROSS APPROPRIATION | \$ 26,348,300 |
| Appropriated from: | |
| Federal revenues: | |
| DOD, federal | 32,100 |
| DOI, federal..... | 10,351,500 |
| EPA, federal..... | 1,000 |

| | For Fiscal Year Ending Sept. 30, 2005 |
|--|---|
| Special revenue funds: | |
| Private funds | \$ 103,800 |
| Cervidae licensing and inspection fees | 93,500 |
| Game and fish protection fund | 9,663,000 |
| Game and fish protection fund - deer habitat reserve | 2,199,700 |
| Game and fish protection fund - turkey permit fees | 1,511,900 |
| Game and fish protection fund - waterfowl fees..... | 93,900 |
| Nongame wildlife fund | 584,800 |
| State general fund/general purpose | \$ 1,713,100 |
| Sec. 106. FISHERIES MANAGEMENT | |
| Full-time equated classified positions | 225.0 |
| Aquatic resource mitigation—3.0 FTE positions..... | \$ 869,800 |
| Fisheries administration—10.0 FTE positions..... | 992,400 |
| Fish production—62.0 FTE positions..... | 7,286,800 |
| Fisheries resource management—150.0 FTE positions | 15,460,600 |
| Travel..... | 1,264,000 |
| GROSS APPROPRIATION | \$ 25,873,600 |
| Appropriated from: | |
| Federal revenues: | |
| DOE, federal..... | 1,000 |
| DOC, federal..... | 47,800 |
| DOI, federal..... | 7,676,900 |
| EPA, federal..... | 147,900 |
| Special revenue funds: | |
| Private funds | 104,200 |
| Game and fish protection fund | 17,012,000 |
| Game and fish protection fund - fisheries settlement | 883,800 |
| State general fund/general purpose | \$ 0 |
| Sec. 107. PARKS AND RECREATION | |
| Full-time equated classified positions | 785.7 |
| Michigan civilian conservation corps—3.0 FTE positions | \$ 926,900 |
| Recreational boating—201.5 FTE positions | 11,984,900 |
| State parks—581.2 FTE positions | 38,067,100 |
| State parks improvement revenue bonds - debt service | 1,095,000 |
| Travel..... | 2,296,100 |
| GROSS APPROPRIATION | \$ 54,370,000 |
| Appropriated from: | |
| Interdepartmental grant revenues: | |
| Federal revenues: | |
| EPA, federal..... | 108,400 |
| Special revenue funds: | |
| Private funds | 328,100 |
| Harbor development fund..... | 256,800 |
| Michigan civilian conservation corps endowment fund | 1,016,900 |
| Michigan state parks endowment fund | 11,146,400 |
| Michigan state waterways fund | 12,628,100 |
| Off-road vehicle trail improvement fund..... | 219,400 |
| Park improvement fund..... | 28,665,900 |
| State general fund/general purpose | \$ 0 |
| Sec. 108. FOREST, MINERAL, AND FIRE MANAGEMENT | |
| Full-time equated classified positions | 333.5 |
| Adopt-a-forest program..... | \$ 50,000 |
| Cooperative resource programs—10.5 FTE positions..... | 2,810,400 |
| Forest and timber treatments—117.0 FTE positions | 13,993,900 |
| Forest fire equipment | 1,700,000 |
| Forest fire protection—133.5 FTE positions | 9,491,300 |

| | For Fiscal Year Ending Sept. 30, 2005 |
|---|---|
| Forest management initiative—9.2 FTE positions | \$ 954,300 |
| Forest management planning—13.0 FTE positions | 4,530,100 |
| Forest recreation and trails—33.0 FTE positions | 4,498,400 |
| Minerals management—17.3 FTE positions | 2,077,700 |
| Travel..... | 1,294,900 |
| GROSS APPROPRIATION | \$ 41,401,000 |
| Appropriated from: | |
| Federal revenues: | |
| DAG, federal..... | 2,124,200 |
| DOI, federal..... | 2,000 |
| EPA, federal..... | 1,000 |
| Special revenue funds: | |
| Private funds | 838,200 |
| Aircraft fees..... | 110,200 |
| Air photo - geographic information system..... | 7,300 |
| Commercial forest fund | 23,900 |
| Forest development fund..... | 24,315,800 |
| Forestland user charges..... | 269,600 |
| Forest recreation fund | 1,101,200 |
| Game and fish protection fund..... | 1,524,000 |
| Michigan natural resources trust fund | 1,155,600 |
| Michigan state parks endowment fund | 518,600 |
| Michigan state waterways fund..... | 350,200 |
| Off-road vehicle trail improvement fund..... | 374,100 |
| Recreation improvement fund | 293,100 |
| Shop fees | 58,300 |
| Snowmobile trail improvement fund | 2,010,500 |
| State general fund/general purpose | \$ 6,323,200 |
| Sec. 109. LAW ENFORCEMENT | |
| Full-time equated classified positions | 267.5 |
| General law enforcement—257.5 FTE positions | \$ 23,841,300 |
| Wildlife resource protection—10.0 FTE positions | 1,412,400 |
| Travel..... | 2,906,800 |
| GROSS APPROPRIATION | \$ 28,160,500 |
| Appropriated from: | |
| Federal revenues: | |
| DHS-USCG, federal..... | 2,538,100 |
| DOC, federal..... | 15,800 |
| DOI, federal..... | 1,122,300 |
| Special revenue funds: | |
| Forest recreation fund | 52,700 |
| Game and fish - wildlife resource protection fund | 1,403,800 |
| Game and fish protection fund | 16,495,400 |
| Marine safety fund..... | 1,377,900 |
| Off-road vehicle trail improvement fund..... | 785,500 |
| Park improvement fund..... | 52,700 |
| Safety education fund | 52,900 |
| Snowmobile registration fee revenue | 596,200 |
| State general fund/general purpose | \$ 3,667,200 |
| Sec. 110. PAYMENTS IN LIEU OF TAXES | |
| Swamp and tax reverted lands..... | \$ 7,071,500 |
| Purchased lands | 7,800,000 |
| Commercial forest reserves..... | 2,691,700 |
| GROSS APPROPRIATION | \$ 17,563,200 |

| | For Fiscal Year Ending Sept. 30, 2005 |
|--|---|
| Appropriated from: | |
| Special revenue funds: | |
| Game and fish protection fund | \$ 2,950,600 |
| Michigan natural resources trust fund | 750,000 |
| Michigan state waterways fund | 199,400 |
| State general fund/general purpose | \$ 13,663,200 |
| Sec. 111. GRANTS | |
| Federal - clean vessel act grants | \$ 100,000 |
| Federal - forest stewardship grants..... | 625,000 |
| Federal - land and water conservation fund payments..... | 2,566,900 |
| Federal - rural community fire protection | 250,000 |
| Federal - urban forestry grants | 4,000,000 |
| Grants to communities - federal oil, gas, and timber payments..... | 3,450,000 |
| National recreational trails | 1,850,000 |
| Game and nongame wildlife fund grants..... | 10,000 |
| Grant to counties-marine safety | 2,805,000 |
| Inland fisheries resources grants | 200,000 |
| Off-road vehicle safety training grants..... | 150,000 |
| Off-road vehicle trail improvement grants | 1,374,500 |
| Recreation improvement fund grants..... | 1,100,000 |
| Sebewaing harbor commission flood control..... | 100,000 |
| Snowmobile law enforcement grants..... | 1,142,000 |
| Snowmobile local grants program..... | 7,314,000 |
| GROSS APPROPRIATION | \$ <u>27,037,400</u> |
| Appropriated from: | |
| Federal revenues: | |
| DAG, federal..... | 4,775,000 |
| DOI, federal..... | 2,666,900 |
| DOI, oil and gas royalty revenue | 150,000 |
| DOI, timber revenue | 3,300,000 |
| DOT, federal | 1,800,000 |
| Special revenue funds: | |
| Private funds | 150,000 |
| Game and fish protection fund..... | 200,000 |
| Marine safety fund..... | 2,805,000 |
| Michigan state waterways fund | 100,000 |
| Nongame wildlife fund | 10,000 |
| Off-road vehicle trail improvement fund..... | 1,374,500 |
| Recreation improvement fund | 1,100,000 |
| Safety education fund | 150,000 |
| Snowmobile registration fee revenue | 1,142,000 |
| Snowmobile trail improvement fund..... | 7,314,000 |
| State general fund/general purpose | \$ 0 |
| Sec. 112. INFORMATION TECHNOLOGY | |
| Information technology services and projects | \$ 8,603,800 |
| GROSS APPROPRIATION | \$ <u>8,603,800</u> |
| Appropriated from: | |
| Special revenue funds: | |
| Air photo - geographic information system..... | 20,800 |
| Delinquent property tax administration fund..... | 36,100 |
| Forest development fund..... | 1,632,900 |
| Game and fish protection fund..... | 1,171,800 |
| Game and fish protection fund - deer habitat reserve..... | 243,000 |
| Game and fish - wildlife resource protection fund | 11,600 |
| Land exchange facilitation fund | 41,600 |
| Marine safety fund..... | 23,900 |

| | For Fiscal Year Ending Sept. 30, 2005 |
|---|---|
| Michigan natural resources trust fund | \$ 1,083,000 |
| Michigan state parks endowment fund | 40,200 |
| Michigan state waterways fund | 831,900 |
| Nongame wildlife fund | 10,400 |
| Park improvement fund | 2,148,700 |
| Recreation improvement fund | 19,000 |
| Snowmobile registration fee revenue | 3,700 |
| State general fund/general purpose | \$ 1,285,200 |

PART 2
PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for the fiscal year ending September 30, 2005 is \$221,587,200.00 and state spending from state resources to be paid to local units of government for the fiscal year ending September 30, 2005 is \$21,510,200.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

**DEPARTMENT OF NATURAL RESOURCES
PAYMENTS IN LIEU OF TAXES**

| | |
|------------------------------------|--------------|
| Purchased lands | \$ 7,800,000 |
| Swamp and tax reverted lands | 7,071,500 |
| Commercial forest reserves | 2,691,700 |

GRANTS

| | |
|--|----------------------|
| Grants to counties - marine safety | 2,805,000 |
| Snowmobile law enforcement | 1,142,000 |
| TOTAL | \$ 21,510,200 |

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

Sec. 203. As used in this act:

- (a) "Commission" means the commission of natural resources.
- (b) "DAG" means the United States department of agriculture.
- (c) "Department" means the department of natural resources.
- (d) "DHS" means the United States department of homeland security.
- (e) "DOC" means the United States department of commerce.
- (f) "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) "DOT" means the United States department of transportation.
- (j) "EPA" means the United States environmental protection agency.
- (k) "FTE" means full-time equated.
- (l) "IDG" means interdepartmental grant.
- (m) "USCG" means the United States coast guard.

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

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

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

Sec. 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 use the Internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

Sec. 209. By February 15, 2005, the department shall provide the state budget director, the senate and house appropriations subcommittees on natural resources, and the senate and house fiscal agencies with an annual report on estimated restricted fund balances, projected revenues, and expenditures for the fiscal years ending September 30, 2004 and September 30, 2005.

Sec. 210. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports. To the extent consistent with federal and state guidelines, the requirements of this section are satisfied if the reports funded from appropriations in part 1 are retained in electronic format.

Sec. 211. (1) From the funds appropriated under part 1, the department shall prepare a report that lists all of the following regarding grant, loan, or grant and loan programs administered by the department for the fiscal year ending on September 30, 2005:

- (a) The name of each program.
- (b) The goals, criteria, filing fees, nominating procedures, eligibility requirements, processes, and deadlines for each program.
- (c) The maximum and minimum grant and loan available and whether there is a match requirement for each program.
- (d) The amount of any required match, and whether in-kind contributions may be used as part or all of a required match.
- (e) Information pertaining to the application process, timeline for each program, and the contact people within the department.
- (f) The source of funds for each program, including the citation of pertinent authorizing acts.
- (g) Information regarding plans for the next fiscal year for the phaseout, expansion, or changes for each program.
- (h) A listing of all recipients of grants or loans awarded by the department by type and amount of grant or loan during the fiscal year ending September 30, 2004.

(2) The reports required under this section shall be submitted to the state budget director, the senate and house appropriations committees and the senate and house fiscal agencies by January 1, 2005.

Sec. 212. Appropriations of state restricted game and fish protection funds have been made to the following departments and agencies in their respective appropriation acts. The amounts appropriated to these departments and agencies are limited to the amounts listed below:

| | |
|---|------------|
| Department of civil service | \$ 293,200 |
| Legislative auditor general | 21,400 |
| Attorney general | 667,300 |
| Department of management and budget | 228,000 |
| Department of treasury | 4,200 |

Sec. 213. (1) Before January 16, 2005, the department, in cooperation with the Michigan state waterways commission, shall report to the state budget director, the senate and house fiscal agencies, and the senate and house of representatives appropriations subcommittees on natural resources detailing operations of the Michigan state waterways commission for the preceding 1-year period.

(2) The department, in cooperation with the Michigan state waterways commission, shall determine which projects should be acquired or developed with money from the state waterways fund or harbor development fund and shall submit to the state budget director, the senate and house fiscal agencies, and the senate and house of representatives appropriations subcommittees on natural resources in January 2005 a list of those projects, compiled in order of priority. The list shall be accompanied by estimates of total costs for the proposed projects.

(3) The department, in cooperation with the Michigan state waterways commission, shall supply with each list under subsection (2) a statement of the guidelines used in listing and assigning the priority of these projects.

Sec. 214. The department shall develop a plan for allocating restricted funds among department administrative support and regulatory activities. This plan shall be submitted to the house and senate appropriations subcommittees on natural resources by January 30, 2005. This plan shall include a cost allocation plan for financial services support, office space rent and building occupancy charges, support division service for information systems and technology, and a methodology to use information generated through activity reports that identifies the percentage of employee time spent on restricted fund activities.

Sec. 215. Pursuant to section 43703(3) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.43703, there is appropriated from the game and fish protection trust fund to the game and fish protection fund, \$6,000,000.00 for the fiscal year ending September 30, 2005.

Sec. 216. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 217. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 218. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2005 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Sec. 219. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality.

EXECUTIVE

Sec. 301. On June 15, 2005, the department shall submit to the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies a report on fish, game, and nongame habitat improvement and treatment projects completed or planned during the fiscal years ending September 30, 2004 and September 30, 2005. This report shall include a list of all habitat treatment and improvement projects by management unit. This list shall be accompanied by all of the following information:

(a) The target species of wildlife or fish to benefit from unit projects.

(b) The number of acres or, for an inland lake, river, or stream, the number of feet treated or improved, the county in which the project is located, and the methods of treatment or improvement.

(c) The division with lead responsibility for the projects and all organizations involved in the projects, including, but not limited to, department personnel, contractors, or subcontractors.

(d) The total cost per acre and the funding sources supporting management unit projects. The report shall identify the program line item supporting project expenditures.

(e) A separate summary, by fund or subfund, of all projects completed in the fiscal year ending September 30, 2004 or September 30, 2005.

ADMINISTRATIVE SERVICES

Sec. 401. The department may charge the appropriations contained in part 1, including all special maintenance and capital projects appropriated for the fiscal year ending September 30, 2005, for engineering services provided, a standard percentage fee to recover actual costs. The department may use the revenue derived to support the engineering services charges provided for in part 1.

Sec. 402. The department may charge land acquisition projects appropriated for the fiscal year ending September 30, 2005, and for prior fiscal years, a standard percentage fee to recover actual costs, and may use the revenue derived to support the land acquisition service charges provided for in part 1.

Sec. 403. The department of natural resources may charge both application fees and transaction fees related to the exchange or sale of state-owned land or rights in land authorized by part 21 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2101 to 324.2162. The fees shall be set by the director at a rate which allows the department to recover its costs for providing these services.

Sec. 404. The department shall prominently display in a prominent place in the fishing guide provided to each licensed fisher and paid for from the funds appropriated in part 1, the website for the department of community health. In addition, the fishing guide shall include information on alternative sources where interested parties without Internet access may find information on fish advisories issued by the department of community health.

Sec. 405. The department shall report quarterly on all land transactions completed by the department in the previous fiscal quarter. For each land transaction, the report shall include, but not be limited to, the size of the parcel, the county and municipality in which the parcel is located, the dollar amount of the transaction, the fund source affected by the transaction, and the type of transaction, such as purchase, public auction, transfer, exchange, or conveyance. The report shall be submitted to the senate and house appropriations subcommittees on natural resources within 21 days after the end of each fiscal quarter.

Sec. 406. In addition to the annual report on travel expenditures required by section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, the department shall provide to the senate and house appropriations subcommittees on natural resources and the senate and house fiscal agencies a quarterly report within 30 days of the end of each quarter on expenses incurred for travel inside and outside the state. The report shall include, but not be limited to, the name of the person who traveled, total expenditures for compensation, fees, or remuneration for meals, transportation, and related contractual services, supplies, and materials, and the destination, reason for, and dates of the travel.

WILDLIFE MANAGEMENT

Sec. 501. By April 1, 2005 and September 30, 2005, the department shall report to the state budget director, the senate and house appropriations subcommittees on natural resources, and the senate and house fiscal agencies on spending from the amounts appropriated in part 1 for bovine tuberculosis control efforts. The report shall include, but not be limited to, information on activities at the animal diagnostic laboratory at Michigan State University that are funded with appropriations in part 1.

Sec. 502. Of the funds appropriated in part 1, the department shall reimburse the department of agriculture for costs incurred for indemnification payments for livestock losses caused by wolves or coyotes under the animal industry act, 1988 PA 466, MCL 287.701 to 287.745.

FISHERIES MANAGEMENT

Sec. 601. As a condition of expenditure of fisheries management appropriations under part 1, the department shall not impede the certification process for water control structures on Michigan waterways. The department shall fund from funds appropriated in part 1 all non-water-quality studies or requirements that the department requests of either of the following:

(a) The department of environmental quality as a condition for issuance of a certification under the federal water pollution control act, 33 USC 1341.

(b) The federal energy regulatory commission as a condition of licensing under the federal power act, 16 USC 791a to 825r.

Sec. 602. (1) From the appropriation in part 1 for aquatic resource mitigation, not more than \$758,000.00 shall be allocated for grants to watershed councils, resource development councils, soil conservation districts, local governmental units, and other nonprofit organizations for stream habitat stabilization and soil erosion control.

(2) The fisheries division of the department shall develop priority and cost estimates for all recommended projects.

PARKS AND RECREATION

Sec. 701. Pursuant to section 1902(2) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.1902, there is appropriated from the Michigan natural resources trust fund to the Michigan state parks endowment fund an amount not to exceed \$10,000,000.00 for the fiscal year ending September 30, 2005.

Sec. 702. (1) The department shall prepare detailed reports for construction projects in state parks that will involve campsite or campground closures. These reports shall include expected costs, impacts on recreation opportunities, impacts on state park revenues, and the expected impact on state park users. The department shall also prepare reports on average monthly campground occupancy rates for every state park during the previous summer season. The department shall provide reports described in this subsection to the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies not later than April 1, 2005.

(2) The department shall notify the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies if it intends to reduce operations or reduce recreation opportunities at any state park or recreation area.

Sec. 703. From the funds appropriated in part 1, the department shall attempt to place an appropriate number of defibrillators in state parks. State parks shall accept donations of defibrillators.

Sec. 704. As a condition for the expenditure of appropriations for parks and recreation under part 1, the department shall conduct at least 2 pilot programs for the development of a statewide water trails system as a part of the statewide recreation plan.

Sec. 705. By September 30, 2005, the department shall report to the senate and house appropriations subcommittees on natural resources and the senate and house fiscal agencies any misuse of complimentary or discounted day passes at state recreational facilities during the 2004-2005 fiscal year.

Sec. 706. As a condition for the expenditure of appropriations for parks and recreation under part 1, the department shall implement a pilot project in the fiscal year ending September 30, 2005 for privatizing the management of state boating access sites and facilities. By April 1, 2005, the department shall submit to the state budget director, the senate and house appropriations subcommittees on natural resources, the senate and house standing committees on natural resources issues, and the senate and house fiscal agencies a plan to implement this pilot project. The department is encouraged to consult with a boating access site management group that has the capacity to implement the program on a statewide basis. Any contracts entered into relating to this pilot project shall be awarded through a competitive bidding process.

Sec. 707. On September 30, 2005, the department shall submit a report on the economic impact and financial status of the ski hill in Porcupine Mountains wilderness state park to the legislature, the state budget director, and the senate and house fiscal agencies. The department shall not alter or halt operations of the ski hill or demolish buildings related to the ski hill, the assistant manager residence, the 3-unit apartment building, or the carpenter's shop and garage in Porcupine Mountains wilderness state park until this report is received. The department shall collaborate with travel Michigan for the marketing and promotion of the ski hill.

FOREST, MINERAL, AND FIRE MANAGEMENT

Sec. 801. The department shall follow the certification criteria established by the forest stewardship council and the sustainable forest initiative in its timber marking activities. The department shall report by September 30, 2005 to the state budget director, the senate and house appropriations subcommittees on natural resources, the senate and house standing committees on natural resources issues, and the senate and house fiscal agencies on the status of its forest management plan.

Sec. 802. The appropriation for the adopt-a-forest program in part 1 shall be used to cover the cost of disposing of waste material collected from state forest lands.

Sec. 803. In addition to the funds appropriated in part 1, \$350,000.00 is appropriated to cover costs related to any declared emergency involving the collapse of any abandoned mine shaft located on state land. This appropriation shall not be expended unless the state budget director recommends the expenditure and the department notifies the house and senate committees on appropriations.

Sec. 804. As a condition of expenditure of appropriations in part 1 from forest development funds, on October 15, 2004 the department shall provide \$1,000,000.00 from cooperative resources programs as an interdepartmental grant to the department of agriculture for the cooperative resources management initiative program for the purposes of supporting forestry programs in local conservation districts.

Sec. 805. The department shall designate 1 forester to implement management initiatives to facilitate the development of forest products from department-managed properties in southwest Michigan. The department shall develop a forest management plan for these lands. This plan shall be submitted to the state budget director, the house and senate appropriations subcommittees on natural resources, and the senate and house fiscal agencies on or before April 1, 2005.

Sec. 806. Of the funds appropriated in part 1, the department shall prescribe appropriate treatment on 63,000 acres, plus or minus 10%, at the current average rate of 12.5 to 13 cords per acre, provided that the department shall take into consideration the impact of timber harvesting on wildlife habitat and recreation uses. The department shall endeavor to increase marking or treatment of hardwood timber by 10% over 2004 levels. In addition, the department shall take into consideration silvicultural analysis and report annually to the legislature on plans and efforts to address factors limiting management of timber.

Sec. 807. The department shall spend amounts appropriated in part 1 for forest-related activities to employ or contract for additional foresters to mark timber, pursuant to section 806.

LAW ENFORCEMENT

Sec. 901. The appropriation in part 1 for snowmobile law enforcement grants shall be used to provide grants to county law enforcement agencies to enforce part 821 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.82101 to 324.82160, including rules promulgated under that part and ordinances enacted pursuant to that part. The department shall consider the number of enforcement hours and the number of miles of snowmobile trails in each county in allocating these grants. Any funds not distributed to counties revert back to the snowmobile registration fee fund. Counties shall provide semiannual reports to the department.

GRANTS

Sec. 1101. The amount appropriated in part 1 for federal-rural community fire protection shall be awarded as grants to local fire protection departments. To be eligible, local fire protection departments shall be located in governmental units or fire protection districts with permanent populations of less than 10,000.

Sec. 1102. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 for grants to communities - federal oil, gas, and timber payments and that do not require additional state matching funds are appropriated for the purposes intended. By November 30, 2004, the department shall report to the senate and house appropriations subcommittees on natural resources, the senate and house fiscal agencies, and the state budget director on all amounts appropriated under this section during the fiscal year ending September 30, 2004.

Sec. 1103. (1) The use of federal funding received by the state from the land and water conservation fund and appropriated in part 1 shall be coordinated with state grants to local units of government from the Michigan natural resources trust fund. The coordination of the 2 funding sources shall be conducted in a manner that minimizes the total matching funds required from local units of government for local land acquisition or recreational development projects.

(2) The Michigan natural resources trust fund board shall report on the final disposition of federal funding from the land and water conservation fund in the board's annual report to the legislature.

Sec. 1104. Of the amount appropriated in part 1 for grants to counties - marine safety, \$35,000.00 shall be used by Michigan State University to develop equipment and procedures that will accurately measure and record distance to and sound levels of watercraft engines if matching funds are provided by lake property associations.

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

A bill to make appropriations for the department of natural resources for the fiscal year ending September 30, 2005; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

Michelle McManus
Shirley Johnson
Jim Barcia
Conferees for the Senate

John Pastor
Howard Walker
Rich Brown
Conferees for the House

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

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

The question being on the adoption of the conference report,

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

Roll Call No. 629**Yeas—34**

| | | | |
|----------|-------------|-----------|-------------|
| Allen | Clarke | Jelinek | Sanborn |
| Barcia | Cropsey | Johnson | Schauer |
| Basham | Garcia | Kuipers | Sikkema |
| Birkholz | George | Leland | Stamas |
| Bishop | Gilbert | McManus | Switalski |
| Brater | Goschka | Olshove | Thomas |
| Brown | Hammerstrom | Patterson | Toy |
| Cassis | Hardiman | Prusi | Van Woerkom |
| Cherry | Jacobs | | |

Nays—0**Excused—4**

Bernero

Clark-Coleman

Emerson

Scott

Not Voting—0

In The Chair: President

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

By unanimous consent the Senate proceeded to the order of

Resolutions

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

Senate Resolution No. 175

Senate Resolution No. 139

Senate Resolution No. 241

Senate Concurrent Resolution No. 40

The motion prevailed.

Senators Clarke, Basham, Brater, Thomas, Schauer and Garcia offered the following resolution:

Senate Resolution No. 294.

A resolution to express opposition to the exploitation of workers through unfair labor practices and to urge state agencies to refrain from purchasing any products manufactured under sweatshop conditions.

Whereas, In many parts of the world, there is a considerable level of human abuse through enslavement and worker exploitation. There are concerns that there is a resurgence of exploitative and abusive workplaces, including within the United States; and

Whereas, Workplaces where human labor is exploited are often known as sweatshops. Such conditions in apparel and other industries threaten the jobs and working conditions of all workers; and

Whereas, Responsible vendors find it hard to compete with vendors who use manufacturers that engage in slave labor, child labor, and other forms of human exploitation; and

Whereas, The citizens of Michigan respect the inalienable rights of all human workers to be compensated fairly and treated humanely; and

Whereas, The state of Michigan, representing its citizens, does not want to do business with companies that compete by exploiting their workforce through sweatshops; and

Whereas, Pressure from institutional purchasers, such as governments, is one of the most effective ways to combat sweatshop production; now, therefore, be it

Resolved by the Senate, That we express opposition to the exploitation of workers through unfair labor practices and urge all state agencies to refrain from purchasing, leasing, or renting any products manufactured under sweatshop conditions. We call on the administration to implement a policy of evaluating and monitoring suppliers to determine, to the extent possible, the working conditions under which the products are manufactured; and be it further

Resolved, That copies of this resolution be transmitted to the Office of the Governor and the Department of Management and Budget.

Pending the order that, under rule 3.204, the resolution be referred to the Committee on Government Operations, Senator Hammerstrom moved that the rule be suspended.

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

The question being on the adoption of the resolution,

Senator Hammerstrom moved that the resolution be referred to the Committee on Commerce and Labor.

The motion prevailed.

Senators Jacobs and Switalski were named co-sponsors of the resolution.

House Concurrent Resolution No. 67.

A concurrent resolution approving an increase in Total Project Cost, approving the conveyance of property to the State Building Authority, and approving a lease between the State of Michigan and the State Building Authority relative to the Department of Community Health Center for Forensic Psychiatry.

Whereas, The Department of Community Health Center for Forensic Psychiatry (the "Facility") was established in 1999 PA 265 at a Total Facility Cost of \$95,100,000, of which the State Building Authority (the "Authority") share was \$0 and the State General Fund/General Purpose share was \$95,100,000; and

Whereas, 2001 PA 81 maintained the Total Project Cost at \$95,100,000 and increased the Authority's share by \$95,099,900 to a share of \$95,099,900, and decreased the State General Fund/General Purpose share by \$95,099,900 to a share of \$100; and

Whereas, It is estimated that the total cost to complete the project has increased to \$109,900,000, thereby increasing the State Building Authority share by \$14,800,000, from \$95,099,900 to \$109,899,900; and

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

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

Whereas, The site for the Facility, located in Washtenaw County, is currently owned by the State; and

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

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

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

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

Resolved by the House of Representatives (the Senate concurring), That the Total Facility Cost for the Department of Community Health Center for Forensic Psychiatry shall not exceed \$109,900,000 (the Authority share shall not exceed \$109,899,900 and the State General Fund/General Purpose share shall not exceed \$100), plus interest charges on monies advanced by the State to meet the construction cash flow requirements of the Facility, if any, of which not more than \$109,899,900, plus interest charges on monies advanced by the State to meet the construction cash flow requirements of the Facility, if any, shall be financed from bonds issued by the Authority, exclusive of amounts necessary for reserves, interest, or other nonconstruction costs; and be it further

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

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

Resolved, That the annual amounts of "True Rental" for the Facility shall be within or below the range of \$7,535,000 and \$10,035,000, as shall reflect variations that may occur in the components upon which the appraisal of True Rental was based, which amounts shall be certified by the appraiser and thereafter approved by the State Administrative Board and the Authority as authorized by 1964 PA 183, as amended; and be it further

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

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

Resolved, That the Legislature hereby directs any damages or settlements received by the State of Michigan resulting from the construction of the Facility shall be deposited as State General Fund/General Purpose money; and be it further

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

The House of Representatives has adopted the concurrent resolution.

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

Senator Hammerstrom moved that the rule be suspended.

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

The question being on the adoption of the concurrent resolution,

Senator Hammerstrom moved that the concurrent resolution be referred to the Committee on Appropriations.

The motion prevailed.

Senator Allen was named co-sponsor of the concurrent resolution.

Introduction and Referral of Bills

Senator Emerson introduced

Senate Bill No. 1367, entitled

A bill to amend 1966 PA 313, entitled "An act to award tuition grants to resident students enrolled in independent nonprofit institutions of higher learning; and to make an appropriation therefor," by amending sections 2 and 3 (MCL 390.992 and 390.993), section 3 as amended by 1980 PA 503, and by adding section 1a.

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

Senator Prusi introduced

Senate Bill No. 1368, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending section 175 (MCL 600.175), as added by 2003 PA 78.

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

Senator Switalski introduced

Senate Bill No. 1369, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending section 151d and 151e (MCL 600.151d and 600.151e), section 151d as added by 2002 PA 740 and section 151e as added by 2002 PA 742.

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

Senator Hammerstrom introduced

Senate Bill No. 1370, entitled

A bill to amend 1943 PA 240, entitled "State employees' retirement act," by amending section 45 (MCL 38.45), as amended by 2002 PA 743.

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

Senator Basham introduced

Senate Bill No. 1371, entitled

A bill to amend 1980 PA 497, entitled "Construction lien act," by amending the title and sections 104, 106, 107, 114, 201, 202, 203, and 204 (MCL 570.1104, 570.1106, 570.1107, 570.1114, 570.1201, 570.1202, 570.1203, and 570.1204), sections 104, 106, 107, 114, and 203 as amended by 1982 PA 17, section 201 as amended by 1984 PA 190, and section 202 as amended by 1981 PA 191, and by adding section 114a.

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

Senators McManus and Barcia introduced

Senate Bill No. 1372, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 3122 (MCL 324.3122), as added by 2004 PA 90, and by adding section 3123a.

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

Senator Prusi introduced

Senate Bill No. 1373, entitled

A bill to amend 1968 PA 330, entitled "Private security business and security alarm act," by amending sections 2, 9, 11, and 25 (MCL 338.1052, 338.1059, 338.1061, and 338.1075), sections 2, 9, and 25 as amended by 2002 PA 473 and section 11 as amended by 2000 PA 411.

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

Senators Jacobs, Brater, Schauer, Basham, Bishop, Prusi, Cherry and Clarke introduced

Senate Bill No. 1374, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding section 17212.

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

Senators Basham, Brater, Jacobs, Schauer, Bishop, Birkholz, Thomas, Prusi, Cherry and Clarke introduced
Senate Bill No. 1375, entitled

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

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

Senator Emerson introduced

Senate Bill No. 1376, entitled

A bill to amend 1999 PA 94, entitled "Michigan merit award scholarship act," by amending section 7 (MCL 390.1457), as amended by 2002 PA 736.

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

Senators Birkholz, Barcia, Van Woerkom, McManus and Kuipers introduced

Senate Bill No. 1377, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 5505 (MCL 324.5505).

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

Senators Cherry, Basham, Olshove, Schauer, Switalski, Clarke, Brater, Emerson, Jacobs and Patterson introduced

Senate Bill No. 1378, entitled

A bill to amend 1970 PA 91, entitled "Child custody act of 1970," by amending section 6c (MCL 722.26c), as added by 1993 PA 259.

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

Senators Switalski, Clarke, Basham, Jacobs, Leland, Prusi, Cherry and Schauer introduced

Senate Bill No. 1379, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding section 17213.

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

Senators Brater, Clarke, Basham, Jacobs, Schauer, Leland, Prusi and Cherry introduced

Senate Bill No. 1380, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding section 17210.

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

Senators Jacobs and Brater introduced

Senate Bill No. 1381, entitled

A bill to regulate the manufacture, possession, purchase, sale, and transfer of assault weapons; to provide certain duties for certain state and local officials and agencies; to provide for the promulgation of rules; and to provide penalties.

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

Senators Jacobs and Brater introduced

Senate Bill No. 1382, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 11b of chapter XVII (MCL 777.11b), as amended by 2004 PA 150.

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

House Bill No. 5457, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," (MCL 380.1 to 380.1852) by adding section 622a. 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. 5475, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," (MCL 380.1 to 380.1852) by adding section 620. 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. 5627, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending section 18 (MCL 388.1618), as amended by 2003 PA 158.

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. 5784, entitled

A bill to provide for the transfer between state departments of certain state property in Ingham and Clinton counties; to provide for the exchange of certain properties in Livingston county; and to prescribe certain conditions for the transfer and exchange.

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 Appropriations.

House Bill No. 5839, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," by amending sections 681, 682, 687, 1723, 1724, 1724a, and 1731 (MCL 380.681, 380.682, 380.687, 380.1723, 380.1724, 380.1724a, and 380.1731), sections 681, 682, 687, and 1724 as amended by 2003 PA 299, section 1724a as added by 1994 PA 258, and section 1731 as amended by 2002 PA 70, and by adding section 625b.

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. 5850, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," by amending section 1804 (MCL 380.1804) and by adding sections 1814, 1815, and 1816.

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. 5851, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 13p of chapter XVII (MCL 777.13p), as amended by 2002 PA 475.

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. 5921, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," by amending sections 611, 612, 614, 614a, 616, 617, and 701 (MCL 380.611, 380.612, 380.614, 380.614a, 380.616, 380.617, and 380.701), section 611 as amended by 1981 PA 87, section 614 as amended by 2004 PA 233, section 614a as added by 2004 PA 234, and sections 616, 617, and 701 as amended by 2003 PA 299, and by adding section 634.

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.

Senator Emerson entered the Senate Chamber.

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

Senator Hammerstrom moved that the Committee on Appropriations be discharged from further consideration of the following bill:

Senate Bill No. 1146, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 20161 (MCL 333.20161), as amended by 2003 PA 234.

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

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

Senate Bill No. 1146

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

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

House Bill No. 5519, entitled

A bill to make appropriations for the department of history, arts, and libraries for the fiscal year ending September 30, 2005; to provide for the expenditure of those appropriations; to provide for the disposition of fees and other income received by the state agencies; to create funds; to provide for the disbursement of certain grants; to provide for reports; to prescribe powers and duties of certain state departments and certain state and local agencies and officers; and to repeal acts and parts of acts.

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

The Conference Report was read as follows:

FIRST CONFERENCE REPORT

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

House Bill No. 5519, entitled

A bill to make appropriations for the department of history, arts, and libraries for the fiscal year ending September 30, 2005; to provide for the expenditure of those appropriations; to provide for the disposition of fees and other income received by the state agencies; to provide for the disbursement of certain grants; to provide for reports; to prescribe powers and duties of certain state departments and certain state and local agencies and officers; and to repeal acts and parts of acts.

Recommends:

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

A bill to make appropriations for the department of history, arts, and libraries for the fiscal year ending September 30, 2005; to provide for the expenditure of those appropriations; to provide for the disposition of fees and other income received by the state agencies; to create funds; to provide for the disbursement of certain grants; to provide for reports; to prescribe powers and duties of certain state departments and certain state and local agencies and officers; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of history, arts, and libraries for the fiscal year ending September 30, 2005, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

APPROPRIATION SUMMARY:

| | | |
|--|-------|---------------|
| Full-time equated unclassified positions | 6.0 | |
| Full-time equated classified positions | 232.0 | |
| GROSS APPROPRIATION | | \$ 57,093,600 |

For Fiscal Year
Ending Sept. 30,
2005

| | |
|--|----------------------|
| Interdepartmental grant revenues: | |
| Total interdepartmental grants and intradepartmental transfers | \$ 139,000 |
| ADJUSTED GROSS APPROPRIATION | \$ 56,954,600 |
| Federal revenues: | |
| Total federal revenues | 8,151,300 |
| Special revenue funds: | |
| Total local revenues | 0 |
| Total private revenues | 577,400 |
| Total other state restricted revenues | 2,412,400 |
| State general fund/general purpose | \$ 45,813,500 |
| Sec. 102. DEPARTMENT OPERATIONS | |
| Full-time equated unclassified positions6.0 | |
| Full-time equated classified positions29.0 | |
| Unclassified salaries | \$ 219,300 |
| Management services—28.0 FTE positions..... | 1,868,900 |
| Building occupancy charges and rent..... | 2,678,600 |
| Worker’s compensation | 17,000 |
| Film office—1.0 FTE positions..... | 135,800 |
| Human resources optimization user charges..... | 29,500 |
| GROSS APPROPRIATION | \$ 4,949,100 |
| Appropriated from: | |
| State general fund/general purpose | \$ 4,949,100 |
| Sec. 103. INFORMATION TECHNOLOGY | |
| Information technology services and projects | \$ 998,600 |
| GROSS APPROPRIATION | \$ 998,600 |
| Appropriated from: | |
| Interdepartmental grant revenues: | |
| IDG-MDOT, comprehensive transportation fund..... | 200 |
| IDG-MDOT, state aeronautics fund..... | 100 |
| IDG-MDOT, state trunkline fund | 3,300 |
| Special revenue funds: | |
| Game and fish protection fund..... | 100 |
| Mackinac Island state park fund | 42,500 |
| Special revenue, internal service and pension trust | 2,900 |
| State lottery fund | 900 |
| State general fund/general purpose | \$ 948,600 |
| Sec. 104. MICHIGAN COUNCIL FOR ARTS AND CULTURAL AFFAIRS | |
| Full-time equated classified positions9.0 | |
| Administration—9.0 FTE positions..... | \$ 702,800 |
| Arts and cultural grants..... | 11,771,300 |
| GROSS APPROPRIATION | \$ 12,474,100 |
| Appropriated from: | |
| Federal revenues: | |
| NFAH-NEA, promotion of the arts, partnership agreements | 700,000 |
| Special revenue funds: | |
| State general fund/general purpose | \$ 11,774,100 |
| Sec. 105. MACKINAC ISLAND STATE PARK COMMISSION | |
| Full-time equated classified positions39.0 | |
| Mackinac Island park operation—24.3 FTE positions..... | \$ 1,344,500 |
| Historical facilities system—14.7 FTE positions | 1,633,800 |
| GROSS APPROPRIATION | \$ 2,978,300 |
| Appropriated from: | |
| Special revenue funds: | |
| Mackinac Island state park operation fees..... | 150,000 |
| Mackinac Island state park fund | 1,329,200 |
| State general fund/general purpose | \$ 1,499,100 |

For Fiscal Year
Ending Sept. 30,
2005

Sec. 106. MICHIGAN HISTORICAL PROGRAM

| | | |
|--|------|---------------------|
| Full-time equated classified positions | 83.0 | |
| Federal programs—12.0 FTE positions | | \$ 1,893,900 |
| Heritage publications | | 700,000 |
| Historical administration and services—71.0 FTE positions | | 5,216,600 |
| Private grants and gifts | | 502,400 |
| Thunder Bay national marine sanctuary and underwater preserve..... | | 189,600 |
| Historical grants..... | | 35,000 |
| GROSS APPROPRIATION | | \$ 8,537,500 |
| Appropriated from: | | |
| Interdepartmental grant revenues: | | |
| IDG-MDOT, comprehensive transportation fund..... | | 5,700 |
| IDG-MDOT, state aeronautics fund..... | | 3,400 |
| IDG-MDOT, state trunkline fund | | 126,300 |
| Federal revenues: | | |
| DOI-NPS, historic preservation grants-in-aid..... | | 1,348,000 |
| Federal funds | | 545,900 |
| Special revenue funds: | | |
| Private - grants and gifts | | 400,000 |
| Private - Mann house trust fund..... | | 102,400 |
| Game and fish protection fund..... | | 3,600 |
| Heritage publication fund..... | | 700,000 |
| Marine safety fund..... | | 500 |
| Special revenue, internal service and pension trust | | 70,700 |
| State lottery fund | | 24,300 |
| Waterways fund | | 800 |
| State general fund/general purpose | | \$ 5,205,900 |

Sec. 107. LIBRARY OF MICHIGAN

| | | |
|---|------|----------------------|
| Full-time equated classified positions | 72.0 | |
| Book distribution centers | | \$ 327,500 |
| Collected gifts and fees..... | | 161,900 |
| Library of Michigan operations—72.0 FTE positions | | 6,267,300 |
| Library services and technology act..... | | 5,557,400 |
| Preservation and access for Michigan project | | 965,000 |
| State aid to libraries..... | | 13,327,100 |
| Subregional state aid..... | | 505,000 |
| Wayne County library for the blind and physically handicapped | | 44,800 |
| GROSS APPROPRIATION | | \$ 27,156,000 |
| Appropriated from: | | |
| Federal revenues: | | |
| Library services and technology act..... | | 5,557,400 |
| Special revenue funds: | | |
| Private - gifts and bequests revenues | | 75,000 |
| User fees..... | | 86,900 |
| State general fund/general purpose | | \$ 21,436,700 |

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2004-2005 is \$48,225,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2004-2005 is \$17,563,400.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

| | | |
|---|--|----------------------|
| Arts and cultural grants..... | | \$ 3,686,500 |
| State aid to libraries..... | | 13,327,100 |
| Subregional state aid..... | | 505,000 |
| Wayne County library for the blind and physically handicapped | | 44,800 |
| Total department of history, arts, and libraries | | \$ 17,563,400 |

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

Sec. 203. As used in this appropriation act:

- (a) "Department" means the department of history, arts, and libraries.
- (b) "Director" means the director of the department of history, arts, and libraries.
- (c) "DOI-NPS" means the United States department of interior, national park service.
- (d) "Fiscal agencies" means the house fiscal agency and the senate fiscal agency.
- (e) "FTE" means full-time equated.
- (f) "IDG" means interdepartmental grant.
- (g) "MDOT" means the Michigan department of transportation.
- (h) "NEA" means the national endowment for the arts.
- (i) "NFAH" means the national foundation of the arts and the humanities.
- (j) "Subcommittees" means all members of the appropriate subcommittees of the house and senate appropriations committees.

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

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

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

Sec. 207. At least 60 days before beginning any effort to privatize, the department shall submit a complete project plan to the subcommittees and the fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the fiscal agencies and to the subcommittees within 30 months.

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

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

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

Sec. 211. The department shall establish and maintain affirmative action programs based on guidelines developed by the state equal opportunity workforce planning council which was created by Executive Order No. 1996-13 in order to receive general fund/general purpose dollars.

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

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

Sec. 215. The department may provide and enter into agreements to provide general services, training, meetings, information, special equipment, software, and facility use, and technical consulting services to other principal executive departments, state agencies, local units of government, the judicial branch of government, other organizations, and patrons of department facilities. Fees for services shall be reasonably related to the cost of providing the services and shall be used to offset the costs of the services. The department may receive and expend funds in addition to those authorized in part 1 for the following:

- (a) Supplying census-related information and technical services, publications, statistical studies, population projections and estimates, and other demographic products.
- (b) Microfilming and other document and data imaging services, media, storage, and copies.
- (c) Patron copier and document reproduction services and copies.
- (d) Conferences, training classes, and workshops conducted as part of the department's mission.
- (e) Use of specialized equipment, facilities, and software that permit distance learning and meetings, and group decision making. Funds not expended at year-end may be carried forward and expended for the same purposes for which they were originally received.
- (f) Special services including the rental of department exhibits and collections. Funds not expended at year-end may be carried forward and expended for the same purposes for which they were originally received. The funds received under this section may be deposited and expended from the history, arts, and libraries service fund created in section 216.

Sec. 216. A fund known as the history, arts, and libraries service fund is created in the department. The fund may be used to receive and expend funds in addition to those authorized in part 1. The fund balance may be carried forward by the department for expenditure in subsequent fiscal years.

Sec. 217. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2005 shall be limited to situations in which 1 or more of the following conditions apply:

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
- (d) The travel is necessary to comply with federal requirements.
- (e) The travel is necessary to secure specialized training for staff that is not available within this state.
- (f) The travel is financed entirely by federal or nonstate funds.

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

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

- (a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.
- (b) The destination of each travel occurrence.
- (c) The dates of each travel occurrence.
- (d) A brief statement of the reason for each travel occurrence.
- (e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.
- (f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 218. It is the intent of the legislature to explore supplemental fund sourcing options for the department of history, arts, and libraries.

MICHIGAN COUNCIL FOR ARTS AND CULTURAL AFFAIRS

Sec. 401. (1) The Michigan council for arts and cultural affairs in the department shall administer the arts and cultural grants appropriated in part 1. The council shall provide for fair and independent decisions on arts and cultural grant requests based upon published criteria to evaluate program quality. These criteria shall include a prohibition of art projects that include displays of human wastes on religious symbols, displays of sex acts, and depictions of flag desecration. The council shall seek to award grants on an equitable geographic basis to the extent possible given the quality of grant applications received. Priority shall be given to projects that serve multiple counties and that leverage significant additional public and private investment. Counties, cities, villages, townships, community foundations, and organizations, including science museums/centers, may apply for the following categories of grants:

- (a) Anchor organization program for organizations that serve regional and statewide audiences. Anchor organizations shall demonstrate a commitment to education, to mentoring smaller organizations, and to reaching underserved audiences.
- (b) Arts projects program.
- (c) Arts and learning program.
- (d) Artists in residence for education program.

- (e) Arts organization development program.
- (f) Capital improvement program.
- (g) Local arts agencies services program.
- (h) Regional regranting program.
- (i) Partnership program.
- (j) Discretionary grants program.
- (k) Rural arts and cultural program.
- (l) Cultural projects program.
- (m) Historical projects program.

(2) The appropriation for arts and cultural grants in part 1 and disbursed under this section shall, at a minimum, be matched on an equal dollar-for-dollar basis from local and private contributions paid and received by each awardee receiving grants under this section. The dollar-for-dollar match may include the reasonable value of services, materials, and equipment as allowed under the federal internal revenue code for charitable contributions subject also to the preapproval of the match by the Michigan council for arts and cultural affairs. The council shall receive proof of the entire amount of the matching funds, services, materials, or equipment by the end of the award period.

(3) Before any amount appropriated for arts and cultural grants in part 1 may be expended for a grant to eligible applicants for the purposes in this section, the department shall execute a grant agreement with each grantee. The grant agreement shall specify the criteria included in this section with which the application complies. The grant agreement shall include a list of the projects funded.

(4) Counties, cities, villages, townships, community foundations, and organizations receiving funds under this section shall provide the Michigan council for arts and cultural affairs with the following:

(a) A final report covering the grant period within 30 days after the end of the grant period indicating at least the following:

- (i) Project revenues and expenditures indicating grant matching fund amounts.
- (ii) Number of patrons attracted or benefiting during the grant period.
- (iii) A narrative summary of each project and its outcome.

(b) Awardees receiving grants greater than \$100,000.00 shall also submit a report as identified in subdivision (a) on an interim basis by April 7 of the grant year.

(5) The applicants for arts and cultural grants funds shall be charged a nonrefundable application fee of \$300.00 or 3% of the grant, whichever is less. The application fee may be used by the department to recover direct and indirect costs as appropriated in part 1.

(6) It is the intent of the legislature that the Michigan council for arts and cultural affairs continue to take appropriate steps to ensure that all organizations receiving state arts anchor organization grants have combined grant awards, as defined in subsection (8), of no more than 15.0% of operating revenue for the fiscal year ending September 30, 2005 and beyond. As used in this subsection, "operating revenue" is defined in the same manner as it was defined during the fiscal year 2000 state arts anchor organization application process.

(7) The council shall continue and expand its efforts to encourage and support nonprofit arts and cultural organizations transitioning from solely volunteer-based organizations to professionally directed operations. This includes the provision of funds and services from the arts organization development, partnership, arts projects, anchor organization, and regional regranting programs as well as the rural arts and culture initiative to support professional development within these organizations. Criteria for support include the requirement of collaboration between these organizations and other community organizations.

(8) Any organizations receiving grants within the anchor organization program category in excess of 10.0% of their operating revenue for the fiscal year ending September 30, 2004 shall not receive a combined grant award from all grant categories, except the partnership program, that is greater than the combined grant award from these categories that the organization received for the fiscal year ending September 30, 2004. As used in this subsection, "operating revenue" is defined in the same manner as it was defined during the fiscal year 2000 state arts anchor organization application process.

(9) The council shall provide for fair, equitable, and efficient distribution of funds granted through the regional regranting program. The council shall provide for an annual assessment of grant management and distribution of mini-grant awards by designated regional regranting agencies and review the methodology employed.

(10) The council shall make every effort to provide total grant awards in the anchor organization program at a level not to exceed 70% of the total amount appropriated for arts and cultural grants.

(11) The department shall submit 2 annual reports to the appropriations subcommittees, the state budget office, and the fiscal agencies as follows:

(a) The first report is due 30 days after the council makes the annual grant awards. The report shall contain the following:

- (i) A listing of each applicant.
- (ii) The county of residence of an applicant.

- (iii) The amount awarded.
 - (iv) The amount requested.
 - (v) The grant category under which an applicant applied.
 - (vi) A summary of projects funded for each awardee.
 - (vii) The expected number of patrons for an applicant during the grant period.
 - (viii) The amount of matching funds proposed by an applicant.
 - (ix) The review score for each application.
 - (x) A listing containing the information in subparagraphs (i) to (iii) for any regranted funds in the preceding fiscal year.
- (b) The second report is due when materials are first distributed by the council seeking grant applications for the subsequent fiscal year. The report shall contain the following:
- (i) The guidelines by which the council awards grants.
 - (ii) A summary of any changes in the program guidelines from the previous fiscal year.
 - (iii) A summary of any initiatives the council is taking to improve public access to the arts and culture, including, but not limited to, the use of technology applications.
- (12) Within 1 business day following the final council vote, the department shall notify each legislator electronically regarding the website location of the list of grant awardees by county receiving a grant from arts and cultural grant funds appropriated in part 1.
- (13) From the state funds appropriated in part 1 for arts and cultural grants, no 1 organization may receive more than 18% of this funding. It is the intent of the legislature that this percentage be reduced to 17% in fiscal year 2006, 16% in fiscal year 2007, and 15% in fiscal year 2008.
- (14) The council shall report to the chairpersons of the house and senate appropriations subcommittees on history, arts, and libraries by August 1 all unexpended or unencumbered discretionary grant funding that is available. The council shall not redistribute any unexpended or unencumbered grant funds during the fiscal year without a 10-day notice to the chairpersons of the house and senate appropriations subcommittees on history, arts, and libraries.

MICHIGAN HISTORICAL PROGRAM

Sec. 501. The federal funds appropriated in part 1 for the historic site preservation grants are for work projects and shall not lapse at the end of the fiscal year but shall continue to be available for expenditure until the projects for which the funds were reserved have been completed or are terminated. The purpose of these work projects is the identification, designation, and preservation of historic resources. The method used will be to solicit applications from eligible recipients, score applications based upon established criteria, and award the contracts and subgrants. The total cost is \$1,348,000.00 and the tentative completion date is September 30, 2006.

Sec. 502. Funds collected by the department under sections 6, 7, and 7a of 1913 PA 271, MCL 399.6, 399.7, and 399.7a, are appropriated to the department for the purpose for which they were received and may be carried forward for expenditure in subsequent fiscal years.

Sec. 503. For the purposes of administering the museum store as provided in section 7a of 1913 PA 271, MCL 399.7a, the department is exempt from section 261 of the management and budget act, 1984 PA 431, MCL 18.1261.

Sec. 504. (1) From the state funds appropriated in part 1, the department may award discretionary historical grants to preserve Michigan lighthouses. The department may award up to \$91,500.00 in grants for this purpose and may use a portion of those funds to assist in the transfer of lighthouses from federal ownership. A portion of the funds may also be dedicated to program administration and project coordination.

(2) The department shall allocate grant funds under this section pursuant to eligibility and scoring requirements established by the department. The method used will be to solicit applications from eligible recipients, score applications based on the established criteria, and award grants through executed contracts.

(3) Grants under this section may be awarded for purposes of stabilization, rehabilitation, or other preservation work on a Michigan lighthouse, but shall not be awarded for operational purposes. The department shall not allocate a grant under this section that exceeds \$40,000.00.

(4) The funds appropriated in part 1 and allocated by this section are for work projects. The funds shall not lapse to the general fund at the end of the fiscal year but shall remain available in subsequent fiscal years, until funds have been expended, the projects for which the funds were reserved have been completed, or the projects are terminated, whichever occurs first.

Sec. 505. From the funds appropriated in part 1 for historical administration and services, \$49,700.00 shall be allocated to support the operations of the Michigan freedom trail commission as specified in section 4 of the Michigan freedom trail commission act, 1998 PA 409, MCL 399.84. These funds shall be used to reimburse commission members, to pay for necessary contractual services of the commission, and to hire not more than 1.0 FTE position in the department's Michigan historical center to support commission operations.

Sec. 506. Proceeds in excess of costs incurred in the conduct of auctions, sales, or transfers of artifacts no longer considered suitable for the collections of the state historical museum are appropriated to the department and may be expended upon receipt for additional material for the collection. The department shall notify the chairpersons,

vice chairpersons, and minority vice chairpersons of the senate and house appropriations subcommittees on history, arts, and libraries 1 week prior to any auctions or sales.

Sec. 507. Unless prohibited by law, the department shall make available to the historical society of Michigan the use of the Michigan history magazine subscriber list, or a portion of the Michigan history magazine subscriber list, at a cost not to exceed the actual expense incurred for providing a single mailing.

Sec. 508. From the funds appropriated in part 1 in the historical administration and services line item, \$100,000.00 shall be used to fund a competitive historical grant program. Eligible applicants include all state and local historical societies and the state historical preservation network. Awards shall be made for projects that can leverage additional public and private investment and may involve, but are not limited to, capital improvements projects, restorations, research, educational programs, and publications.

Sec. 509. Of the funds appropriated in part 1 for the historical grants, \$25,000.00 shall be allocated to support Michigan History Day, and \$10,000.00 shall be allocated to the Arenac County Historical Society for the Charity Island lighthouse preservation project.

LIBRARY OF MICHIGAN

Sec. 601. In order to receive subregional state aid as appropriated in part 1 to the library of Michigan, a subregional library's fiscal agency must agree to maintain local funding support at the same level in the current fiscal year as in the fiscal agency's preceding fiscal year. If a reduction in expenditures equally affects all agencies in a local unit of government that is the subregional library's fiscal agency, that reduction shall not be interpreted as a reduction in local support and shall not disqualify a subregional library from receiving state aid under part 1. If a reduction in income affects a library cooperative or district library that is a subregional library's fiscal agency or a reduction in expenditures for the subregional library's fiscal agency, a reduction in expenditures for the subregional library shall not be interpreted as a reduction in local support and shall not disqualify a subregional library from receiving state aid under part 1.

Sec. 602. The funds appropriated in part 1 for a subregional library shall not be released until a budget for that subregional library has been approved by the department for expenditures for library services directly serving the blind and persons with disabilities. Subregional state aid shall be used only for providing services to the blind and to persons with disabilities.

Sec. 603. Of the funds appropriated in part 1 for the operation of the library of Michigan, a portion may be used for statewide database access such as making computerized databases, searches of those databases, and the products of those searches available through the libraries of Michigan. Only those libraries that qualify under the federal library services and technology act, subtitle B of title II of the museum and library services act, title II of the arts, humanities, and cultural affairs act of 1976, Public Law 94-462, 110 Stat. 3009-295, are eligible to participate in these activities.

Sec. 607. Of the funds appropriated in part 1 for book distribution centers, the public enrichment foundation shall receive \$163,750.00 and the Michigan friends of education shall receive \$163,750.00.

Sec. 609. The appropriation in part 1 for the preservation and access for Michigan project shall be used to digitize materials currently in the possession of libraries in the state and to preserve, store, and make these digitized images accessible via the Michigan electronic library. The subject materials are to be significant in the state's history, the only existing copies of unique items, or of broad interest to the citizens of Michigan. To the extent possible, the department shall seek to award these funds on an equitable geographic basis given the quality of proposals received. No single recipient shall receive funding in excess of 30% of the total appropriation.

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

A bill to make appropriations for the department of history, arts, and libraries for the fiscal year ending September 30, 2005; to provide for the expenditure of those appropriations; to provide for the disposition of fees and other income received by the state agencies; to create funds; to provide for the disbursement of certain grants; to provide for reports; to prescribe powers and duties of certain state departments and certain state and local agencies and officers; and to repeal acts and parts of acts.

Fran Amos
Daniel Acciavatti
Conferees for the House

Thomas M. George
Michelle McManus
Conferees for the Senate

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

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

The question being on the adoption of the conference report,

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

Roll Call No. 630**Yeas—30**

| | | | |
|----------|-------------|---------|-------------|
| Allen | Cropsey | Jacobs | Sanborn |
| Barcia | Emerson | Jelinek | Schauer |
| Birkholz | Garcia | Johnson | Sikkema |
| Bishop | George | Kuipers | Stamas |
| Brater | Gilbert | McManus | Switalski |
| Brown | Goschka | Olshove | Toy |
| Cassis | Hammerstrom | Prusi | Van Woerkom |
| Cherry | Hardiman | | |

Nays—5

| | | | |
|--------|--------|-----------|--------|
| Basham | Leland | Patterson | Thomas |
| Clarke | | | |

Excused—3

| | | |
|---------|---------------|-------|
| Bernero | Clark-Coleman | Scott |
|---------|---------------|-------|

Not Voting—0

In The Chair: President

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

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

The motion prevailed, and the President, Lieutenant Governor Cherry, designated Senator Brater as Chairperson.

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

Senate Bill No. 1146, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 20161 (MCL 333.20161), as amended by 2003 PA 234.

Substitute (S-1).

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

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

Senator Hammerstrom 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 at the head of the Third Reading of Bills calendar:

Senate Bill No. 1146

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

The following bill was read a third time:

Senate Bill No. 1146, entitled

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 20161 (MCL 333.20161), as amended by 2003 PA 234.

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. 631

Yeas—34

| | | | |
|----------|-------------|-----------|-------------|
| Allen | Clarke | Jacobs | Prusi |
| Barcia | Cropsey | Jelinek | Schauer |
| Basham | Emerson | Johnson | Sikkema |
| Birkholz | Garcia | Kuipers | Stamas |
| Bishop | George | Leland | Switalski |
| Brater | Gilbert | McManus | Thomas |
| Brown | Goschka | Olshove | Toy |
| Cassis | Hammerstrom | Patterson | Van Woerkom |
| Cherry | Hardiman | | |

Nays—1

Sanborn

Excused—3

| | | |
|---------|---------------|-------|
| Bernero | Clark-Coleman | Scott |
|---------|---------------|-------|

Not Voting—0

In The Chair: President

Senator Hammerstrom 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.

Recess

Senator Hammerstrom moved that the Senate recess until 3:00 p.m. The motion prevailed, the time being 2:02 p.m.

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

Recess

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

4:22 p.m.

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

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

Senate Bill No. 1124, entitled

A bill to authorize the state administrative board to convey or transfer certain state owned property in Alpena county; to prescribe conditions for the conveyance; to provide for certain powers and duties of certain state departments in regard to the property; and to provide for disposition of revenue derived from the conveyance.

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 amended the title to read as follows:

A bill to authorize the state administrative board to convey certain parcels of state owned property in various counties; to prescribe conditions for the conveyances; to provide for certain powers and duties of certain state departments in regard to the property; to provide for disposition of revenue derived from the conveyances; and to repeal acts and parts of acts.

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

Senator Hammerstrom 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. 632

Yeas—25

| | | | |
|----------|-------------|---------|-------------|
| Allen | Emerson | Jacobs | Sikkema |
| Barcia | George | Johnson | Stamas |
| Basham | Gilbert | Leland | Switalski |
| Birkholz | Goschka | Olshove | Thomas |
| Brater | Hammerstrom | Prusi | Toy |
| Cherry | Hardiman | Schauer | Van Woerkom |
| Clarke | | | |

Nays—9

| | | | |
|--------|---------|---------|-----------|
| Bishop | Cropsey | Kuipers | Patterson |
| Brown | Jelinek | McManus | Sanborn |
| Cassis | | | |

Excused—3

| | | |
|---------|---------------|-------|
| Bernero | Clark-Coleman | Scott |
|---------|---------------|-------|

Not Voting—1

Garcia

In The Chair: President

Senator Hammerstrom moved that Senator Garcia 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. The Senate agreed to the title as amended. The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

Protests

Senators Patterson, Cropsey, Jelinek, Sanborn, Cassis and Bishop, under their constitutional right of protest (Art. 4, Sec. 18), protested against concurring in the House substitute to Senate Bill No. 1124.

Senator Patterson's statement, in which Senators Cropsey, Sanborn and Bishop concurred, is as follows:

Notwithstanding the wisdom of one of the persons in this chamber that I didn't labor long and hard enough, we've now engaged in picking winners after a competitive bid process had been established in Enrolled Senate Bill No. 616 of 2002. After two bids had been rejected, one of which having been determined to be non-responsive and the other bid having not been addressed because of legal proceedings already pending in the Oakland Circuit Court, we now basically have said that despite a competitive bid process, we are approving the selection of a particular winner by changing this law. This is a bad precedent. It sends the wrong signal. We look like a Third World country when we engage in this type of practice.

The statute 616 sets forth that there shall be an appraisal, and there was one in this case for \$11.9 million. Toyota bid less than the appraised value, and therefore, its bid was properly rejected as being non-responsive. In addition, there was a contingency placed in the Toyota bid. The York bid was for \$25 million and had no contingencies and appears to not have been appropriately rejected.

Now we have a situation where we as a co-equal, separate branch of government have interceded in a competitive bid process that to this Wayne County legislator smarts of the practices of the former county executive of Wayne County, Edward Howard McNamara, which resulted in the U.S. Attorney for the Southeast District of Michigan looking into Wayne County government. This is a very bad precedent, and I expect that there will be subpoenas flying.

Senator Cropsey's statement, in which Senators Sanborn and Bishop concurred, is as follows:

I didn't want to vote against this legislation, but I felt I had to.

First of all, we need to understand that this was a bid process; that it should have gone by the law that was set up specifically for this bid process. It didn't go by the law that was set up specifically for this bid process. During that process, while the bids were being taken, but before they were opened—it's my understanding—the Governor's office interjected itself and said that they wanted to have Toyota win the bid. After the bids were opened, even though there was only one qualifying bid that should have been accepted, that bid was rejected. That bid was for \$25 million when the appraised value was for approximately \$12 million. After this bid was rejected with influence, apparently, at least in the public, from the Governor's office, these bids were then rejected.

When we take a look at this whole thing, this looks like it doesn't pass the smell test at all. How can we go back and explain to our constituents that a bid was turned down that more than doubled what the appraised value was? It was a bid in which a developer was going to come in and build several thousand homes as well as have, I believe, commercial and industrial property in this area. Many jobs would have been created through this bid, and I don't think the state should have interjected itself in denying this legitimate bid.

Because of the denial of this bid, a lawsuit has been filed, and at this point, I don't see how any legislation that we can pass is going to undo the damage that has been done. What will, or could, happen is a court could come forward now and give specific performance and say that the bidder that should have received the bid will receive the property, and thereby, Toyota not getting the property at all. In the alternative, the judge could rule that damages had been done to the bidder that should have received it, and the damages could amount into multiple millions of dollars. I don't think that is a good use of the taxpayers' dollars. I go back to the Miller Oil situation that we had several years ago in which a company was supposed to be doing drilling, but the Governor's office at that time, which was Governor Blanchard, interjected itself and said drilling will not go on state land, in spite of the fact that it was very clear Miller Oil had the right to do that. The taxpayers of this state ended up having to pay \$55 million in order to settle that case after the court had awarded over \$80 million to the Miller brothers.

I am afraid we are setting up a very similar scenario that the taxpayers are going to be left holding the bag on this, that the process will carry out so long that Toyota will not be there, and part of it is because of the tremendous legal process that we cannot cure here with what we have done today. I don't believe there is a cure except through the judicial process.

So, therefore, I have voted "no" on this.

Senator Jelinek's statement, in which Senator Bishop concurred, is as follows:

When a bid process is properly followed ethically, the results must be honored, even if we don't like the results due to some personal preference. It is improper and it is poor practice to manipulate the bid results. For that reason, I voted against Senate Bill No. 1124.

Senator Cassis' statement is as follows:

The sanctity of the bid process is at stake here and in the future. If deemed legally that bids should be rejected, at the very least, the proposal should be re-bid to remove any cloud of impropriety and any impression of preference for a particular outcome, no matter how desirable in appearance the project, the deal, or the contract may be.

Certainly, we welcome with open arms Toyota to this state and for the opportunities that they could bring to this state. That is not the question here today. The question at stake again—let me re-iterate—is the propriety of the process, the sanctity of the process.

Senate Bill No. 822, entitled

A bill to amend 1975 PA 228, entitled "Single business tax act," by amending section 38g (MCL 208.38g), as amended by 2002 PA 726.

The House of Representatives has substituted (H-3) the bill.

The House of Representatives has passed the bill as substituted (H-3), ordered that it be given immediate effect and amended the title to read as follows:

A bill to amend 1975 PA 228, entitled "An act to provide for the imposition, levy, computation, collection, assessment and enforcement, by lien or otherwise, of taxes on certain commercial, business, and financial activities; to prescribe the manner and times of making certain reports and paying taxes; to prescribe the powers and duties of public officers and state departments; to permit the inspection of records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits, and refunds; to provide penalties; to provide for the disposition of funds; to provide for the interrelation of this act with other acts; and to provide an appropriation," by amending section 38g (MCL 208.38g), as amended by 2003 PA 249.

Pursuant to rule 3.202, the bill was laid over one day.

Senate Bill No. 1063, entitled

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2005; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

(For Conference Report, see Senate Journal No. 86, p. 1630.)

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

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

Senate Bill No. 1064, entitled

A bill to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2005; to provide for the expenditure of the appropriations; to provide for reports; to provide for the creation of certain advisory committees and boards; to prescribe certain powers and duties of the department of corrections, certain other state officers and agencies, and certain advisory committees and boards; to provide for the collection of certain funds; and to provide for the disposition of fees and other income received by certain state agencies.

(For Conference Report, see Senate Journal No. 86, p. 1555.)

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

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

Senate Bill No. 1065, entitled

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2005; to provide for the expenditure of the appropriations; to prescribe the powers and duties of certain state departments, school districts, and other governmental bodies; and to provide for the disposition of fees and other income received by certain legal entities and state agencies.

(For Conference Report, see Senate Journal No. 86, p. 1619.)

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

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

Senate Bill No. 1067, entitled

A bill to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2004 and for the fiscal year ending September 30, 2005; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

(For Conference Report, see p. 1758.)

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

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

Senate Bill No. 1069, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 3, 4, 6, 11, 11b, 11f, 11g, 11j, 13, 15, 18a, 19, 20, 20j, 21b, 22a, 22b, 24, 26, 26a, 31a, 31d, 32c, 32d, 32f, 32j, 37, 39a, 41, 41a, 51a, 51c, 51d, 53a, 54, 56, 57, 61a, 62, 74, 81, 94a, 98, 98b, 99, 101, 104a, 107, 147, 152, 158b, and 163 (MCL 388.1603, 388.1604, 388.1606, 388.1611, 388.1611b, 388.1611f, 388.1611g, 388.1611j, 388.1613, 388.1615, 388.1618a, 388.1619, 388.1620, 388.1620j, 388.1621b, 388.1622a, 388.1622b, 388.1624, 388.1626, 388.1626a, 388.1631a, 388.1631d, 388.1632c, 388.1632d, 388.1632f, 388.1632j, 388.1637, 388.1639a, 388.1641, 388.1641a, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1657, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1694a, 388.1698, 388.1698b, 388.1699, 388.1701, 388.1704a, 388.1707, 388.1747, 388.1752, 388.1758b, and 388.1763), sections 3, 11f, 11g, 11j, 19, 20, 22a, 22b, 24, 31a, 31d, 32c, 32d, 39a, 41, 51a, 51c, 51d, 53a, 54, 56, 57, 61a, 62, 74, 81, 98, 99, 104a, 107, and 147 as amended and sections 32j, 41a, and 98b as added by 2003 PA 158, section 4 as amended by 1995 PA 130, section 6 as amended by 2004 PA 227, section 11 as amended by 2004 PA 185, sections 11b and 26a as amended by 2003 PA 236, section 13 as amended by 1999 PA 119, sections 15 and 18a as amended by 1996 PA 300, section 20j as amended by 2001 PA 121, sections 21b, 152, and 163 as amended by 2000 PA 297, section 26 as amended by 1997 PA 93, section 32f as amended by 2002 PA 521, section 37 as amended by 2002 PA 191, section 94a as amended by 2003 PA 180, section 101 as amended by 2004 PA 127, and section 158b as added by 1994 PA 283, and by adding sections 22d, 32k, and 107b; and to repeal acts and parts of acts.

(For Conference Report, see Senate Journal No. 86, p. 1570.)

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

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

By unanimous consent the Senate proceeded to the order of

Statements

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

The motion prevailed.

Senator Clarke's statement is as follows:

I was really intrigued by the arguments I heard regarding the conveyance of land from Washtenaw County to Toyota. I want to explain one thing about government contracts, whether it is a contract that the state of Michigan lets out or any other governmental agency.

There are two things that are important when we let out public contracts. The first thing is that the taxpayers have got to get the best value, No. 1. The second thing is that the contract must be awarded in a process that is fair. This contract represents the best value to the taxpayers; not necessarily the best price, but the best value. Even though the highest-priced bid was rejected, the state didn't ask for the highest price. They were looking for the best proposal, and the proposal that we did accept was the one that would generate jobs. Likely hundreds of jobs have a better impact on our tax base than a proposal that just offered a highest-bidding price, so No. 1 this in terms of value. The Toyota proposal definitely yielded the best value. We don't have to accept the highest-price bidder. This is not routine auctioneering. We take the proposal that offers the best value to the taxpayers. This is clearly the one that offered the most amount of jobs and has the best impact overall economically to that region to the state treasury.

That goes to the second question though. What about this process? Was this process somehow flawed or maybe fraudulent because the executive department decided to reject both of these proposals and submit another proposal unilaterally, or the way it appears. If the Governor had cut some back-room deal and secretly tried to sign this contract, yeah, we'd have problems, but what the Governor decided to do was to bring the contract to us, representatives of the taxpayers, for our approval. We collectively, freely chose to ratify that contract. By ratifying that contract, we have made it legitimate—legitimate under the letter of the law and a legitimate contract ethically and in terms of the spirit of the democratic process.

As you are aware, especially those of you who have served in Wayne County government, the legislative branch in many of our local government agencies have a great deal of contracting authority that we don't have in the Legislature. So, in that sense, the Governor respected our legislative power by presenting that contract to us. We chose to approve it. If we didn't want to approve it, we could have voted it down, but we didn't. This is the best proposal in value because it creates hundreds of jobs, not a mere millions of dollars, but an impact that can affect people's lives because a lot of our jobs have gone out of the country now. And secondly, the process is fair because we, the Legislature, representing the public ratified this contract.

Mr. President, this is a good deal. It's a fair deal for us. It respects our power and our role as legislators.

Senator Patterson's statement is as follows:

I'm tempted to begin my statement with the word "poppycock," but I won't do that today. Rather, I would suggest to my respected and learned legal counsel from southwest Michigan's 1st Senate District that he seems to want to ignore the state law to which I made previous reference in my "no" vote explanation, which clearly spells out the process that is to be followed in the sale of this particular piece of land. We were not ratifying a contract because the facts are the bid was rejected. The executive branch rejected both bids, so there was no contract because a contract, as one learns in law school, first year, requires an offer, an acceptance, and consideration. We had none of those elements because the bid was rejected. So this august body did not act to ratify anything. We created new law which is materially different.

The argument is further specious because any lawyer worth his or her salt can read section 13 of Enrolled Senate Bill No. 616 that clearly says that the fair market value of the property described in subsection (1) shall be determined by an appraisal as prepared by the State Tax Commission or an independent fee appraiser. In fact, one was prepared that was for \$11.9 million. The Toyota proposal was for \$9 million, and therefore, it was not a responsive bid and had to be rejected. Therefore, it goes on and says that any sale of property described in subsection (1) shall be conducted in a manner to realize the price for the sale and the highest return to the state.

Unless you have a responsive bid, you can't get to the two-pronged test to which my learned counsel seems to want to elude in some high-spirited, highfaluting, fallacious fashion. If legal counsel would bother to read the statute, he would know that once a bid is rejected, you can't apply the two-pronged test. What should have been done was if, in fact, the two bids were properly rejected, there should have been a re-bid in conformity with the statute. This statute was created specifically for the sale of property in each of four counties and cannot be blithely ignored as we just did.

Committee Reports

The Committee on Appropriations reported

House Bill No. 5313, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 52706 (MCL 324.52706), as amended by 2002 PA 356, and by adding section 2150a.

With the recommendation that the substitute (S-2) be adopted and that the bill then pass.

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

Shirley Johnson
Chairperson

To Report Out:

Yeas: Senators Johnson, Stamas, Brown, Goschka, Garcia, Cropsey, Jelinek, McManus, Hardiman, George, Prusi, Barcia, Clarke and Switalski

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Appropriations reported

Senate Bill No. 1340, entitled

A bill to amend 1995 PA 29, entitled "Uniform unclaimed property act," by amending section 19 (MCL 567.239), as amended by 2004 PA 82 and by adding section 11a; 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.

Shirley Johnson
Chairperson

To Report Out:

Yeas: Senators Johnson, Stamas, Brown, Goschka, Garcia, Cropsey, Jelinek, McManus, Hardiman, George, Prusi, Barcia, Cherry, Clarke and Switalski

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Appropriations reported

Senate Bill No. 1323, entitled

A bill to amend 1972 PA 239, entitled "McCauley-Traxler-Law-Bowman-McNeely lottery act," by amending sections 11 and 18 (MCL 432.11 and 432.18), section 11 as amended by 1996 PA 167.

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.

Shirley Johnson
Chairperson

To Report Out:

Yeas: Senators Johnson, Stamas, Brown, Goschka, Garcia, Cropsey, Jelinek, McManus, Prusi, Barcia, Cherry, Clarke and Switalski

Nays: Senators Hardiman and George

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Appropriations reported

Senate Bill No. 1103, entitled

A bill to amend 1933 PA 167, entitled "General sales tax act," by amending section 25 (MCL 205.75), as amended by 2003 PA 139.

With the recommendation that the substitute (S-2) be adopted and that the bill then pass.

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

Shirley Johnson
Chairperson

To Report Out:

Yeas: Senators Johnson, Stamas, Brown, Garcia, Cropsey, Jelinek, McManus, Hardiman, George, Prusi, Barcia, Cherry and Switalski

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Appropriations reported

Senate Bill No. 1104, entitled

A bill to amend 1971 PA 140, entitled "Glenn Steil state revenue sharing act of 1971," by amending section 13 (MCL 141.913), as amended by 2003 PA 168.

With the recommendation that the substitute (S-4) be adopted and that the bill then pass.

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

Shirley Johnson
Chairperson

To Report Out:

Yeas: Senators Johnson, Stamas, Brown, Goschka, Garcia, Cropsey, Jelinek, McManus, Hardiman, George, Prusi, Barcia, Cherry, Clarke and Switalski

Nays: None

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Appropriations reported

Senate Bill No. 1105, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 2152, 2153, and 2154 (MCL 324.2152, 324.2153, and 324.2154), as added by 1995 PA 60.

With the recommendation that the substitute (S-4) be adopted and that the bill then pass.

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

Shirley Johnson
Chairperson

To Report Out:

Yeas: Senators Johnson, Brown, Goschka, Garcia, Cropsey, Jelinek, McManus, Hardiman, George, Prusi, Barcia, Cherry, Clarke and Switalski

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 Appropriations submitted the following:

Meeting held on Wednesday, September 8, 2004, at 4:00 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building

Present: Senators Johnson (C), Stamas, Brown, Goschka, Garcia, Cropsey, Jelinek, McManus, Hardiman, George, Prusi, Barcia, Cherry, Clarke and Switalski

Excused: Senator Scott

COMMITTEE ATTENDANCE REPORT

The Conference Committee on Higher Education (SB 1067) submitted the following:

Meeting held on Tuesday, September 7, 2004, at 9:00 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building

Present: Senators Goschka(C), Sikkema and Cherry

COMMITTEE ATTENDANCE REPORT

The Conference Committee on Community Health (SB 1063) submitted the following:

Meeting held on Tuesday, September 7, 2004, at 11:00 a.m., Senate Hearing Room, Ground Floor, Boji Tower

Present: Senators Stamas(C), George and Cherry

COMMITTEE ATTENDANCE REPORT

The Conference Committee on Department of Education (SB 1065) submitted the following:

Meeting held on Wednesday, September 8, 2004, at 8:00 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building

Present: Senators Jelinek(C) , Cropsey and Switalski

COMMITTEE ATTENDANCE REPORT

The Conference Committee on K-12 School Aid (SB 1069) submitted the following:

Meeting held on Wednesday, September 8, 2004, at 8:00 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building

Present: Senators Jelinek(C) , Cropsey and Switalski

COMMITTEE ATTENDANCE REPORT

The Conference Committee on Family Independence Agency (HB 5516) submitted the following:

Meeting held on Wednesday, September 8, 2004, at 8:00 a.m., House Appropriations Room, 3rd Floor, Capitol Building

Present: Senators Hardiman, George and Clarke

COMMITTEE ATTENDANCE REPORT

The Conference Committee on Community Colleges (SB 1062) submitted the following:

Meeting held on Wednesday, September 8, 2004, at 8:30 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building

Present: Senators Jelinek(C), Stamas and Switalski

Scheduled Meetings

Commerce and Labor - Tuesday, September 14, 3:00 p.m., Room 100, Farnum Building (373-2413)

Health Policy - Wednesday, September 15, 1:00 p.m., Senate Hearing Room, Ground Floor, Boji Tower (373-3543)

Judiciary - Tuesday, September 14, 1:00 p.m., Room 210, Farnum Building (373-3760)

Legislative Retirement Board of Trustees - Wednesday, September 15, 3:00 p.m., Room H-252, Capitol Building (373-0575)

Michigan Capitol Committee - Wednesday, September 15, 8:30 a.m., Room 426, Capitol Building (373-0289)

Natural Resources and Environmental Affairs - Tuesday, September 14, 3:00 p.m., Room 110, Farnum Building (373-3447)

Senator Hammerstrom moved that the Senate adjourn.
The motion prevailed, the time being 4:47 p.m.

The President, Lieutenant Governor Cherry, declared the Senate adjourned until Tuesday, September 14, 2004, at 10:00 a.m.

CAROL MOREY VIVENTI
Secretary of the Senate

