

**No. 81**  
**STATE OF MICHIGAN**  
**Journal of the Senate**  
**93rd Legislature**  
**REGULAR SESSION OF 2005**

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Senate Chamber, Lansing, Tuesday, September 20, 2005.

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—present  
Birkholz—present  
Bishop—present  
Brater—present  
Brown—present  
Cassis—present  
Cherry—present  
Clark-Coleman—present  
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—present  
Sikkema—present  
Stamas—present  
Switalski—present  
Thomas—present  
Toy—present  
Van Woerkom—present

Pastor Bill Davis of First Presbyterian Church of Mt. Clemens offered the following invocation:

Almighty God, You have made this wonderful earth, the sea, and the skies. Thank You, O Lord, for calling us to serve You. Thank You for this body called to serve You as public servants. Thank You for this great nation and for this state. We thank You for the blessings that we all have. O Lord, give these, Your servants, the Senators and the staff, the wisdom of Solomon and the patience of Job.

Lord, as the moon sat in the western sky this morning, clear and pure, reflecting the light of the sun, may these Your servants, the Senators and their staff, pure and clear, reflect Your will, O Lord, as they go about their business. O Lord, strip us all of the pride that may get in the way of doing Your work. As leaves fall from the trees, may we allow our pride to fall so that we can clearly see Your vision and do Your work.

Lord, thank You for the opportunity we have to serve You in the way in which You have called us. Thank You. Amen.

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

### Recess

Senator Hammerstrom moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 10:04 a.m.

10:42 a.m.

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

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

A quorum of the Senate was present.

### Motions and Communications

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

**Senate Bill No. 246**

**Senate Bill No. 318**

The motion prevailed.

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

**House Bill No. 4803**

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

Senator Hammerstrom moved that rule 3.902 be suspended to allow the guests of Senators Sikkema and Emerson admittance to the Senate floor.

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

The following communications were received and read:

Office of the Senate Majority Leader

September 15, 2005

Pursuant to Joint Rule 3(a), I have made the following conferee appointment to the Conference Committee on HB 4834:  
Senator Jud Gilbert replacing Senator Ron Jelinek

September 15, 2005

Pursuant to Senate Rule 3.203b, I am hereby re-referring Senate Bill 757 from the Families and Human Services Committee to the Appropriations Committee.

September 15, 2005

Pursuant to Senate Rule 3.203b, I am hereby re-referring Senate Joint Resolution G from the Senate Appropriations Committee to the Senate Judiciary Committee.

Respectfully yours,  
Ken Sikkema  
Senate Majority Leader

The communications were referred to the Secretary for record.

The following communication was received:  
Department of State

Administrative Rules  
Notice of Filing

September 8, 2005

In accordance with the provisions of Section 46(1) of Act 306, Public Acts of 1969, as amended, and Executive Order 1995-6, this is to advise you that the Michigan Department of Labor and Economic Growth, State Office of Administrative Hearings and Rules filed at 4:47 p.m. this date, administrative rule (05-09-01) for the Department of Labor and Economic Growth, Director's Office, entitled "*Construction Safety Standards - Part 30. Telecommunications*," effective immediately upon filing with the Secretary of State.

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

The communication was referred to the Secretary for record.

The Secretary announced that the following House bills were received in the Senate and filed on Thursday, September 15:

**House Bill Nos. 4718 4726 4977 4978 5067**

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

**Enrolled Senate Bill No. 564 at 12:00 p.m.**  
**Enrolled Senate Bill No. 129 at 12:02 p.m.**  
**Enrolled Senate Bill No. 606 at 12:04 p.m.**  
**Enrolled Senate Bill No. 607 at 12:06 p.m.**  
**Enrolled Senate Bill No. 609 at 12:08 p.m.**  
**Enrolled Senate Bill No. 611 at 12:10 p.m.**  
**Enrolled Senate Bill No. 615 at 12:12 p.m.**  
**Enrolled Senate Bill No. 616 at 12:16 p.m.**

The Secretary announced that the following official bills were printed on Thursday, September 15, and are available at the legislative website:

**Senate Bill No. 756**  
**House Bill Nos. 5179 5180**

The Secretary announced that the following official bills and joint resolution were printed on Friday, September 16, and are available at the legislative website:

**Senate Bill Nos. 757 758**  
**Senate Joint Resolution G**  
**House Bill Nos. 5181 5182 5183 5184 5185 5186 5187 5188 5189**

### Messages from the Governor

The following message from the Governor was received on September 16, 2005, and read:

EXECUTIVE ORDER  
No. 2005-23

#### State of Energy Emergency

#### **Waiver of Regulations Relating to Motor Carriers and Drivers Transporting Gasoline, Diesel Fuel, Jet Fuel, Propane, Natural Gas, Compressed Natural Gas, and Ethanol**

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

WHEREAS, under Section 4 of 1982 PA 191, MCL 10.84, during a declared State of Energy Emergency the Governor may by executive order suspend a statute, order, rule of a state agency, or specific provision of a statute, order, or rule if strict compliance with the statute, order, rule, or a specific provision of the statute, order, or rule will prevent, hinder, or delay necessary action in coping with an energy emergency;

WHEREAS, based on the effects of Hurricane Katrina, Executive Order 2005-16 declared a State of Energy Emergency in this state beginning on August 31, 2005;

WHEREAS, because Hurricane Katrina has temporarily halted the off-shore production of petroleum products in the Gulf of Mexico and damaged storage facilities and transportation infrastructure throughout the Gulf Coast region, the effects of Hurricane Katrina are being felt throughout the United States;

WHEREAS, the United States Department of Transportation Federal Motor Carrier Safety Administration has declared that a regional transportation emergency continues to exist in the highway transportation of certain petroleum products in both the Eastern Region of the United States (Connecticut, Delaware, the District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Puerto Rico, Rhode Island, Vermont, Virginia, and West Virginia) and the Southern Region of the United States (Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, New Mexico, Oklahoma, South Carolina, Tennessee, and Texas);

WHEREAS, as a result of a Revised Declaration of Regional Emergency, the Federal Motor Carrier Safety Administration, acting pursuant to 49 CFR 390.23, has exempted motor carriers and drivers transporting gasoline, diesel fuel, jet fuel, propane, natural gas, compressed natural gas, and ethanol to and from the Eastern Region and the Southern Region from 49 CFR Parts 390-399 to address emergency needs arising from the Hurricane Katrina disaster (such as fuel supply shortages). The exemption is effective from 1:00 p.m. EDT, September 14, 2005 until 11:59 p.m. EDT, October 5, 2005;

WHEREAS, the federal exemption for motor carriers or drivers extends outside of the Eastern Region or Southern Region of the United States to any portion of a trip that occurs outside of the Eastern or Southern Regions;

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

1. Motor carriers and drivers transporting gasoline, diesel fuel, jet fuel, propane, natural gas, compressed natural gas, and ethanol to and from the Eastern Region or the Southern Region of the United States to address emergency needs arising from the impact of Hurricane Katrina, such as fuel supply shortages, are exempt from compliance with any applicable state statute, order, or rule substantially similar to 49 CFR Parts 390-399. Any such provision of a state statute, order, or rule is suspended. The exemption and suspension under this Order is effective until 11:59 p.m. EDT, October 5, 2005.

2. No other petroleum products are covered by this Order.

3. Nothing in this Order shall be construed as an exemption from applicable controlled substances and alcohol use and testing requirements (49 CFR Part 382 and any similar state statute, order, or rule), the commercial driver's license requirements (49 CFR Part 383 and any similar state statute, order, or rule), the financial responsibility requirements (49 CFR Part 387 and any similar state statute, order, or rule), applicable size and weight requirements, or any portion of federal regulations not specifically identified.

4. Motor carriers or drivers currently subject to an out-of-service order are not eligible for the exemption and suspension until the out-of-service order expires or the conditions for rescission have been satisfied.

5. The Federal Motor Carrier Safety Administration has required that drivers for motor carriers operating under the Revised Declaration of Regional Emergency issued under federal regulations have a copy of the federal Revised Declaration of Regional Emergency in their possession. Copies of the two applicable federal revised declarations are attached to this Order.

6. The Motor Carrier Division of the Department of State Police shall coordinate state compliance with this Order. This Order is effective until the earliest of any of the following:

a. A finding by the Governor that the State of Energy Emergency declared under Executive Order 2005-16 no longer exists.

b. Rescission of this Order.

c. 11:59 p.m. EDT, Wednesday, October 5, 2005.

This Order is effective upon filing.

[SEAL]

Given under my hand and the Great Seal of the State of Michigan this 16th day of September in the year of our Lord, two thousand and five.

Jennifer M. Granholm  
Governor

By the Governor:

Terri L. Land

Secretary of State

The Executive Order was referred to the Secretary for record.

The following messages from the Governor were received and read:

September 15, 2005

I respectfully submit to the Senate, pursuant to Section 6 of Article 5 of the Michigan Constitution of 1963, the following appointment to state office under Section 29 of Article 5 of the Michigan Constitution of 1963:

**Civil Rights Commission**

Ms. Karen Henry Stokes, a Republican, of 16 Campau Circle, N.W., Grand Rapids, Michigan 49503, county of Kent, succeeding Valerie Pierre Simmons, whose term has expired, appointed for a term commencing September 15, 2005 and expiring December 31, 2008.

September 16, 2005

I respectfully submit to the Senate, pursuant to Section 6 of Article 5 of the Michigan Constitution of 1963, the following appointment to state office pursuant to Section 6 of the Michigan Broadband Development Authority Act, 2002 PA 49, MCL 484.3206:

**Michigan Broadband Development Authority Board of Directors**

Mr. George A. Franklin, a Democrat, of 2010 Hudson Street, Kalamazoo, Michigan 49008, county of Kalamazoo, succeeding Suzanne H. Dees, whose term has expired, representing members with knowledge, skill, or experience in the academic, business, technology, or financial fields, for a term commencing September 16, 2005 and expiring December 31, 2008.

Sincerely,  
Jennifer M. Granholm  
Governor

The appointments were referred to the Committee on Government Operations.

**Messages from the House**

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

**Senate Bill No. 356**

**Senate Bill No. 419**

**Senate Bill No. 130**

The motion prevailed.

**Senate Bill No. 264, entitled**

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2006; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to require reports, audits, and plans; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by certain state agencies.

The House of Representatives has appointed Rep. Whitmer to replace Rep. Phillips as conferee.

The message was referred to the Secretary for record.

Senator Bernero entered the Senate Chamber.

**Conference Reports**

Senator Hammerstrom moved that joint rule 9 be suspended to permit immediate consideration of the conference reports relative to the following bills:

**Senate Bill No. 264**

**Senate Bill No. 271**

**Senate Bill No. 272**

**Senate Bill No. 281**

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

Senator Brown submitted the following:

**FIRST CONFERENCE REPORT**

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

**Senate Bill No. 264, entitled**

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2006; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to require reports, audits, and plans; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by certain state agencies.

Recommends:

First: That the House 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 agriculture for the fiscal year ending September 30, 2006; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to require reports, audits, and plans; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by certain state agencies.

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

**PART 1**

**LINE-ITEM APPROPRIATIONS**

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of agriculture for the fiscal year ending September 30, 2006, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF AGRICULTURE**

**APPROPRIATION SUMMARY:**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	691.0	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 119,198,400</b>
Interdepartmental grant revenues:		
IDG from MDCH, local public health operations.....		8,878,700
IDG from MDEQ, aquifer protection and dispute resolution.....		50,000
IDG from MDEQ, biosolids.....		87,300
IDG from MDEQ, MAEAP.....		150,000
IDG from MDEQ, type II well survey .....		16,300
IDG from MDLEG (LCC), liquor quality testing fees .....		185,900
IDG from MDNR, district forestry and wildlife program.....		1,000,000
Total interdepartmental grants and intradepartmental transfers .....		10,368,200
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 108,830,200</b>
Federal revenues:		
DAG, multiple grants .....		29,795,800
EPA, multiple grants .....		2,436,300
HHS-FDA .....		349,600
Total federal revenues .....		32,581,700

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2006

Special revenue funds:	
Total local revenues .....	\$ 0
Private - slow-the-spread foundation.....	138,700
Total private revenues .....	138,700
Agricultural preservation fund .....	900,000
Agriculture equine industry development fund.....	16,473,700
Agriculture pollution prevention fund .....	100
Civil penalties .....	45,700
Commodity inspection fees.....	888,300
Gasoline inspection and testing fund .....	2,468,700
Groundwater and freshwater protection fun .....	4,936,800
Horticulture fund .....	74,700
Industry support funds .....	534,500
Licensing and inspection fees .....	6,689,400
Nonretail liquor fees .....	625,200
Pseudorabies and swine brucellosis fund .....	15,600
Refined petroleum fund .....	3,191,100
State services fee fund .....	8,535,600
Testing fees.....	405,000
Upper Peninsula state fair revenue.....	1,338,400
Weights and measures regulation fees.....	624,300
Total other state restricted revenues .....	47,747,100
State general fund/general purpose .....	\$ 28,362,700

**Sec. 102. EXECUTIVE**

Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	52.0
Commission and boards .....	\$ 47,300
Unclassified positions—6.0 FTE positions.....	354,000
Executive direction—10.0 FTE positions .....	1,040,600
Management services—35.5 FTE positions.....	2,718,100
Statistical reporting service—4.0 FTE positions .....	345,600
Emergency management—2.5 FTE positions .....	226,200
Human resource optimization user charges .....	29,500
GROSS APPROPRIATION .....	\$ 4,761,300

Appropriated from:

Special revenue funds:

Gasoline inspection and testing fund .....	55,000
Industry support funds .....	30,000
Nonretail liquor fees .....	8,800
Refined petroleum fund .....	221,500
State services fee fund .....	561,300
Upper Peninsula state fair revenue.....	9,000
State general fund/general purpose .....	\$ 3,875,700

**Sec. 103. DEPARTMENTWIDE**

Rent and building occupancy charges .....	\$ 1,388,400
GROSS APPROPRIATION .....	\$ 1,388,400

Appropriated from:

Federal revenues:

DAG, multiple grants .....	100,500
EPA, multiple grants .....	61,200
HHS-FDA .....	13,100

Special revenue funds:

Agricultural preservation fund .....	23,900
Groundwater and freshwater protection fund .....	9,500
Licensing and inspection fees .....	59,700
Nonretail liquor fees .....	7,900
Refined petroleum fund .....	114,000

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State services fee fund .....	\$	304,600
State general fund/general purpose .....	\$	694,000
<b>Sec. 104. FOOD AND DAIRY</b>		
Full-time equated classified positions .....		107.0
Food safety and quality assurance—107.0 FTE positions .....	\$	10,830,300
Local public health operations .....		8,878,700
GROSS APPROPRIATION .....	\$	19,709,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDCH, local public health operations.....		8,878,700
Federal revenues:		
DAG, multiple grants .....		24,800
HHS-FDA .....		203,700
Special revenue funds:		
Civil penalties .....		45,700
Licensing and inspection fees .....		3,187,900
State general fund/general purpose .....	\$	7,368,200
<b>Sec. 105. ANIMAL INDUSTRY</b>		
Full-time equated classified positions .....		49.0
Animal health and welfare—22.5 FTE positions.....	\$	2,316,100
Bovine tuberculosis program—26.5 FTE positions .....		5,707,800
GROSS APPROPRIATION .....	\$	8,023,900
Appropriated from:		
Federal revenues:		
DAG, multiple grants .....		1,251,000
HHS-FDA .....		68,800
Special revenue funds:		
Agriculture equine industry development fund.....		2,354,000
Licensing and inspection fees .....		102,000
Pseudorabies and swine brucellosis fund .....		15,600
State general fund/general purpose .....	\$	4,232,500
<b>Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT</b>		
Full-time equated classified positions .....		231.8
Pesticide and plant pest management—119.8 FTE positions.....	\$	12,665,300
Emerald ash borer control program—112.0 FTE positions .....		23,660,600
Michigan State University.....		210,000
GROSS APPROPRIATION .....	\$	36,535,900
Appropriated from:		
Federal revenues:		
DAG, multiple grants .....		25,809,100
EPA, multiple grants .....		1,610,600
HHS-FDA .....		64,000
Special revenue funds:		
Private - slow-the-spread foundation.....		138,700
Commodity inspection fees .....		888,300
Horticulture fund .....		74,700
Industry support funds .....		319,900
Licensing and inspection fees .....		3,220,500
State general fund/general purpose .....	\$	4,410,100
<b>Sec. 107. ENVIRONMENTAL STEWARDSHIP</b>		
Full-time equated classified positions .....		47.0
Environmental stewardship—32.7 FTE positions .....	\$	2,702,100
Groundwater and freshwater protection program—8.3 FTE positions .....		5,026,600
Farmland and open space preservation—6.0 FTE positions .....		902,500
Cooperative resources management initiative program.....		1,000,000
Agriculture pollution prevention program .....		400,100
Local conservation districts .....		1,516,800



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Migrant labor housing.....	\$ 100
Aquifer protection program.....	50,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 11,598,200</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDEQ, aquifer protection and dispute resolution.....	50,000
IDG from MDEQ, biosolids.....	87,300
IDG from MDEQ, MAEAP.....	150,000
IDG from MDEQ, type II well survey .....	16,300
IDG from MDNR, district forestry and wildlife program.....	1,000,000
Federal revenues:	
DAG, multiple grants .....	400,000
EPA, multiple grants .....	424,500
Special revenue funds:	
Agricultural preservation fund .....	875,900
Agriculture pollution prevention fund .....	100
Groundwater and freshwater protection fund .....	4,927,200
State general fund/general purpose .....	\$ 3,666,900
<b>Sec. 108. LABORATORY PROGRAM</b>	
Full-time equated classified positions .....	148.0
Laboratory services—60.5 FTE positions .....	\$ 5,365,300
USDA monitoring—18.0 FTE positions.....	1,990,000
Consumer protection program—69.5 FTE positions .....	4,883,800
<b>GROSS APPROPRIATION</b> .....	<b>\$ 12,239,100</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDLEG (LCC), liquor quality testing fees .....	183,100
Federal revenues:	
DAG, multiple grants .....	2,011,400
EPA, multiple grants .....	340,000
Special revenue funds:	
Gasoline inspection and testing fund .....	2,386,700
Refined petroleum fund .....	2,855,600
State services fee fund .....	503,200
Testing fees.....	405,000
Weights and measures regulation fees.....	624,300
State general fund/general purpose .....	\$ 2,929,800
<b>Sec. 109. AGRICULTURE DEVELOPMENT</b>	
Full-time equated classified positions .....	8.0
Agriculture development—5.0 FTE positions .....	\$ 868,800
Grape and wine program—3.0 FTE positions .....	662,600
Export market development program .....	50,000
Michigan agricultural surplus system.....	630,500
Michigan FFA association.....	80,000
Michigan 4-H foundation.....	20,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 2,311,900</b>
Appropriated from:	
Federal revenues:	
DAG, multiple grants .....	199,000
Special revenue funds:	
Agriculture equine industry development fund.....	100,000
Industry support funds .....	154,600
Nonretail liquor fees .....	608,000
State services fee fund .....	350,700
State general fund/general purpose .....	\$ 899,600
<b>Sec. 110. FAIRS AND EXPOSITIONS</b>	
Full-time equated classified positions .....	16.5
Upper Peninsula state fair—7.0 FTE positions.....	\$ 1,328,500

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Fairs, racing and producer security—9.5 FTE positions.....	\$	1,077,400
Building and track improvement - county and state fairs .....		963,200
Premiums - county and state fairs .....		1,614,000
Purses and supplements - fairs/licensed tracks .....		3,031,700
Quarterhorse programs .....		40,900
Licensed tracks - light horse racing .....		130,000
Standardbred breeders' awards .....		1,273,000
Standardbred purses and supplements - licensed tracks .....		2,305,700
Standardbred sire stakes.....		1,040,000
Thoroughbred sire stakes .....		1,063,100
Standardbred training and stabling.....		44,900
Thoroughbred program .....		3,092,400
Thoroughbred owners' awards.....		159,900
Distribution of outstanding winning tickets .....		700,000
<b>GROSS APPROPRIATION</b> .....	\$	<u>17,864,700</u>
Appropriated from:		
Special revenue funds:		
Agriculture equine industry development fund.....		13,864,800
Industry support funds .....		30,000
Licensing and inspection fees .....		119,300
State services fee fund .....		2,522,100
Upper Peninsula state fair revenue.....		1,328,500
State general fund/general purpose .....	\$	0
<b>Sec. 111. OFFICE OF RACING COMMISSIONER</b>		
Full-time equated classified positions.....		31.7
Office of racing commissioner—31.7 FTE positions.....	\$	3,296,400
<b>GROSS APPROPRIATION</b> .....	\$	<u>3,296,400</u>
Appropriated from:		
Special revenue funds:		
State services fee fund .....		3,296,400
State general fund/general purpose .....	\$	0
<b>Sec. 112. INFORMATION TECHNOLOGY</b>		
Information technology services and projects .....	\$	1,469,600
<b>GROSS APPROPRIATION</b> .....	\$	<u>1,469,600</u>
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDLEG (LCC), liquor quality testing fees .....		2,800
Special revenue funds:		
Agricultural preservation fund .....		200
Agriculture equine industry development fund.....		154,900
Gasoline inspection and testing fund .....		27,000
Groundwater and freshwater protection fund .....		100
Nonretail liquor fees .....		500
State services fee fund .....		997,300
Upper Peninsula state fair revenue.....		900
State general fund/general purpose .....	\$	285,900

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 2005-2006 is \$76,109,800.00 and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is \$3,316,800.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF AGRICULTURE

Groundwater and freshwater protection program .....	\$	1,800,000
Local conservation districts .....		1,516,800
<b>TOTAL</b> .....	\$	<u>3,316,800</u>

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

Sec. 203. As used in this act:

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

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 state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department.

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

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

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

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

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

Sec. 212. (1) Of the funds appropriated in part 1, the department may provide for indemnity as provided for pursuant to the animal industry act of 1987, 1988 PA 466, MCL 287.701 to 287.745, not to exceed \$100,000.00 per order from any line item for the fiscal year ending September 30, 2006. Before the department provides for an indemnification under this section, the department shall report the reason for the indemnification, the amount of the indemnification, and to whom the indemnification is to be paid. The report shall be given to each member of the house and senate appropriations subcommittees on agriculture and to the senate and house fiscal agencies and the state budget director.

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

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

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

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

Sec. 223. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2006 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

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

### **EXECUTIVE**

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

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

(a) Management services publications.

(b) Management services audit and licensing functions.

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

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

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

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

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

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

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

(2) The department shall notify the senate and house of representatives appropriations subcommittees on agriculture and the senate and house fiscal agencies 60 days prior to the effective date of any proposed changes to the fees authorized under this section.

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

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

#### **FOOD AND DAIRY**

Sec. 401. (1) The department shall monitor restaurant inspection and licensing functions carried out by local health departments to ensure uniform application and enforcement of minimum program requirements. On or before April 1, 2006, the department shall report to the senate and house appropriations subcommittees on agriculture, the senate and house fiscal agencies, and the state budget director on local health department conformance with minimum program requirements.

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

Sec. 402. Not later than April 1, 2006, the department shall provide a report to the house and senate appropriations subcommittees on agriculture and the house and senate fiscal agencies describing significant food-borne outbreaks and emergencies including any enforcement actions taken related to food safety during the 2004-2005 fiscal year.

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

#### **ANIMAL INDUSTRY**

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

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

#### **ENVIRONMENTAL STEWARDSHIP**

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

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

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

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

#### **AGRICULTURE DEVELOPMENT**

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

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

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

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

#### **FAIRS AND EXPOSITIONS**

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

Sec. 802. (1) From the amount appropriated in section 110 for purses and supplements – fairs/licensed tracks, \$280,000.00 is to be used for state purse supplements at state licensed pari-mutuel tracks for races comprised only of Michigan-bred horses segregated into a 4-year-old colt trot division, a 4-year-old filly trot division, a 4-year-old colt pace division, and a 4-year-old filly pace division.

(2) From the amount appropriated in section 110 for purses and supplements – fairs/licensed tracks, \$172,000.00 is to be divided equally and used for state purse supplements at the Fedele Fauri futurity race and the Michigan futurity race.

(3) The appropriation in section 110 for licensed tracks - light horse racing shall be allocated as follows:

Arabian and Appaloosa horse racing .....	\$ 32,500
Quarter horse racing .....	97,500

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

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

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

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

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

Sec. 808. Of the amount appropriated in section 110 for premiums - county and state fairs, \$91,400.00 shall be expended to reimburse up to 75% premiums paid to large livestock and equine exhibitors in shows or exhibitions held by statewide associations as defined by the department. Livestock expositions shall be limited to participation in this program and prohibited from participation in any state funded premium programs. The Michigan horse show association fall youth show shall be included.

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

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

Sec. 816. From the appropriation in section 110 for fairs, racing and producer security, \$20,000.00 shall be granted to the communications alliance to network thoroughbred ex-racehorses (CANTER) to support racehorse rehabilitation programs.

Sec. 817. The unexpended and unencumbered balance of the appropriation for building and track improvement – licensed tracks, contained in section 110 of 2004 PA 353 shall lapse to the Michigan agriculture equine industry development fund and shall be available for appropriation in the fiscal year ending September 30, 2006.

**OFFICE OF RACING COMMISSIONER**

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

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 agriculture for the fiscal year ending September 30, 2006; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to require

reports, audits, and plans; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by certain state agencies.

Cameron Brown  
 Ron Jelinek  
 Jim Barcia  
 Conferees for the Senate

Goeff Hansen  
 Howard Walker  
 Gretchen Whitmer  
 Conferees for the House

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. 416**

**Yeas—38**

Allen	Clark-Coleman	Jacobs	Sanborn
Barcia	Clarke	Jelinek	Schauer
Basham	Cropsey	Johnson	Scott
Bernero	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—0**

**Not Voting—0**

In The Chair: President

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

Senator Hardiman submitted the following:

**FIRST CONFERENCE REPORT**

The Committee of Conference on the matters of difference between the two Houses concerning  
**Senate Bill No. 271, entitled**

A bill to make appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2006; 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 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 human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2006; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department for the fiscal year ending September 30, 2006, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF HUMAN SERVICES

APPROPRIATION SUMMARY:

Full-time equated classified positions .....	10,281.0	
Unclassified positions .....	5.0	
Total full-time equated positions .....	10,286.0	
GROSS APPROPRIATION .....		\$ 4,428,025,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....	2,439,200	
ADJUSTED GROSS APPROPRIATION .....		\$ 4,425,585,800
Federal revenues:		
Total federal revenues .....	3,213,153,000	
Special revenue funds:		
Total private revenues .....	8,918,600	
Total local revenues .....	51,076,200	
Total other state restricted revenues .....	71,176,100	
State general fund/general purpose .....		\$ 1,081,261,900

Sec. 102. EXECUTIVE OPERATIONS

Total full-time equated positions.....	438.3	
Full-time equated unclassified positions .....	5.0	
Full-time equated classified positions .....	433.3	
Unclassified salaries—5.0 FTE positions .....		\$ 537,200
Salaries and wages—300.3 FTE positions.....		15,412,600
Contractual services, supplies, and materials .....		5,969,300
Demonstration projects—15.0 FTE positions .....		6,916,900
Inspector general salaries and wages—106.0 FTE positions .....		5,301,200
Electronic benefit transfer EBT.....		7,333,600
Office of professional development—12.0 FTE positions .....		2,521,500
State office of administrative hearings and rules.....		3,038,300
GROSS APPROPRIATION .....		\$ 47,030,600

Appropriated from:

Federal revenues:		
Total federal revenues .....	29,008,600	
Special revenue funds:		
Total private revenues .....	1,219,300	
Total local revenues .....	200,000	
State general fund/general purpose .....		\$ 16,602,700

Sec. 103. CHILD SUPPORT ENFORCEMENT

Full-time equated classified positions .....	212.7	
Child support enforcement operations—207.7 FTE positions .....		\$ 20,869,400
Legal support contracts .....		140,284,400
Child support incentive payments .....		32,409,600
Child support distribution computer system—5.0 FTE positions .....		13,670,100
Child support arrearage settlement program administration .....		497,100
GROSS APPROPRIATION .....		\$ 207,730,600



For Fiscal Year  
Ending Sept. 30,  
2006

Appropriated from:	
Federal revenues:	
Total federal revenues .....	\$ 193,710,900
Special revenue funds:	
Total local revenues .....	340,000
Total restricted revenues .....	880,800
State general fund/general purpose .....	\$ 12,798,900
<b>Sec. 104. COMMUNITY ACTION AND ECONOMIC OPPORTUNITY</b>	
Full-time equated classified positions .....	11.0
Bureau of community action and economic opportunity—11.0 FTE positions .....	\$ 1,458,800
Community services block grant .....	27,384,600
Weatherization assistance .....	18,671,000
GROSS APPROPRIATION .....	\$ 47,514,400
Appropriated from:	
Federal revenues:	
Total federal revenues .....	47,514,400
Special revenue funds:	
State general fund/general purpose .....	\$ 0
<b>Sec. 105. ADULT AND FAMILY SERVICES</b>	
Full-time equated classified positions .....	49.2
Executive direction and support—6.0 FTE positions .....	\$ 480,900
Employment and training support services .....	16,529,100
Domestic violence prevention and treatment—5.5 FTE positions .....	14,589,900
Rape prevention and services .....	2,600,000
Guardian contract .....	600,000
Adult services policy and administration—6.0 FTE positions .....	587,500
Income support policy and administration—31.7 FTE positions .....	5,913,900
Wage employment verification reporting .....	1,087,500
Urban and rural empowerment/enterprise zones .....	100
Nutrition education .....	8,569,900
Homeless prevention and elder law of Michigan food for the elderly project .....	200,000
Marriage initiative .....	500,000
Fatherhood initiative .....	500,000
GROSS APPROPRIATION .....	\$ 52,158,800
Appropriated from:	
Federal revenues:	
Total federal revenues .....	46,148,800
Special revenue funds:	
State general fund/general purpose .....	\$ 6,010,000
<b>Sec. 106. CHILD AND FAMILY SERVICES</b>	
Full-time equated classified positions .....	87.0
Salaries and wages—29.7 FTE positions .....	\$ 1,715,200
Contractual services, supplies, and materials .....	1,034,800
Refugee assistance program—2.9 FTE positions .....	12,683,700
Foster care payments .....	144,408,500
Wayne County foster care payments .....	62,546,500
Adoption subsidies .....	226,158,900
Adoption support services—7.7 FTE positions .....	14,317,000
Youth in transition—2.0 FTE positions .....	13,219,400
Interstate compact .....	300,000
Children's benefit fund donations .....	21,000
Teenage parent counseling—2.3 FTE positions .....	3,808,400
Families first .....	17,448,100
Child safety and permanency plan .....	16,900,700
Strong families/safe children .....	13,395,300
Child protection/community partners—18.3 FTE positions .....	5,805,900
Zero to three .....	4,000,000

	For Fiscal Year Ending Sept. 30, 2006
Family group decision making .....	\$ 2,454,700
Family reunification program.....	4,062,700
Family preservation and prevention services administration—12.0 FTE positions .....	2,012,900
Black child and family institute .....	100,000
Children's trust fund administration—4.3 FTE positions .....	505,500
Children's trust fund grants.....	3,615,000
Attorney general contracts .....	2,916,100
Prosecuting attorney contracts .....	1,061,700
Child care fund .....	173,737,900
Child care fund administration—5.8 FTE positions .....	817,600
County juvenile officers .....	3,757,600
Community support services—2.0 FTE positions .....	1,489,900
<b>GROSS APPROPRIATION</b> .....	<b>\$ 734,295,000</b>
Appropriated from:	
Federal revenues:	
Total federal revenues .....	428,905,300
Special revenue funds:	
Private - children's benefit fund donations.....	21,000
Private - collections .....	3,840,600
Local funds - county payback .....	24,538,000
Children's trust fund .....	3,314,400
State general fund/general purpose .....	\$ 273,675,700
<b>Sec. 107. JUVENILE JUSTICE SERVICES</b>	
Full-time equated classified positions .....	706.7
High security juvenile services—301.0 FTE positions .....	\$ 26,541,700
Medium security juvenile services—254.0 FTE positions.....	18,818,400
Low security juvenile services—34.0 FTE positions.....	2,907,700
Juvenile justice day program—37.0 FTE positions .....	3,279,900
Juvenile justice field staff, administration and maintenance—60.0 FTE positions .....	8,659,500
Federally funded activities—13.7 FTE positions.....	1,781,700
W.J. Maxey memorial fund .....	45,000
Juvenile accountability incentive block grant—3.0 FTE positions .....	2,705,400
Committee on juvenile justice administration—4.0 FTE positions.....	482,600
Committee on juvenile justice grants .....	5,000,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 70,221,900</b>
Appropriated from:	
Federal revenues:	
Total federal revenues .....	11,688,200
Special revenue funds:	
Total private revenues .....	645,000
Local funds - county payback .....	25,488,000
State general fund/general purpose .....	\$ 32,400,700
<b>Sec. 108. LOCAL OFFICE STAFF AND OPERATIONS</b>	
Full-time equated classified positions .....	8,004.7
Field staff, salaries and wages—7,863.9 FTE positions .....	\$ 358,610,500
Contractual services, supplies, and materials .....	17,639,400
Medical/psychiatric evaluations .....	4,300,000
Donated funds positions—11.0 FTE positions .....	762,300
Training and program support—41.0 FTE positions .....	6,337,700
Food stamp reinvestment—78.8 FTE positions .....	11,365,300
Wayne County gifts and bequests .....	100,000
Volunteer services and reimbursement .....	1,544,900
SSI advocates—10.0 FTE positions .....	833,300
<b>GROSS APPROPRIATION</b> .....	<b>\$ 401,493,400</b>
Appropriated from:	
IDG from DCH - medical services administration .....	923,600
<b>ADJUSTED GROSS APPROPRIATION</b> .....	<b>\$ 400,569,800</b>

For Fiscal Year  
Ending Sept. 30,  
2006

Appropriated from:	
Federal revenues:	
Total federal revenues .....	\$ 250,018,900
Special revenue funds:	
Local funds - donated funds.....	205,800
Private funds - donated funds.....	163,000
Private funds - hospital contributions.....	2,929,700
Private funds - Wayne County gifts.....	100,000
Supplemental security income recoveries.....	833,300
State general fund/general purpose .....	\$ 146,319,100
<b>Sec. 109. DISABILITY DETERMINATION SERVICES</b>	
Full-time equated classified positions.....	568.4
Disability determination operations—545.9 FTE positions .....	\$ 76,411,800
Medical consultation program—18.4 FTE positions .....	2,850,600
Retirement disability determination—4.1 FTE positions.....	820,800
GROSS APPROPRIATION .....	\$ 80,083,200
Appropriated from:	
Interdepartmental grant revenues:	
IDG from DMB - office of retirement systems .....	1,109,800
ADJUSTED GROSS APPROPRIATION .....	\$ 78,973,400
Appropriated from:	
Federal revenues:	
Total federal revenues .....	76,094,100
State general fund/general purpose .....	\$ 2,879,300
<b>Sec. 110. CENTRAL SUPPORT ACCOUNTS</b>	
Rent .....	\$ 44,016,700
Occupancy charge .....	11,431,800
Travel.....	5,603,500
Equipment.....	145,300
Worker's compensation .....	4,279,000
Advisory commissions .....	17,900
Human resources optimization user charges.....	561,000
Payroll taxes and fringe benefits .....	217,242,000
GROSS APPROPRIATION .....	\$ 283,297,200
Appropriated from:	
IDG from DCH - medical services administration .....	405,800
ADJUSTED GROSS APPROPRIATION .....	\$ 282,891,400
Appropriated from:	
Federal revenues:	
Total federal revenues .....	184,017,400
Special revenue funds:	
Local funds - county payback .....	304,400
State general fund/general purpose .....	\$ 98,569,600
<b>Sec. 111. OFFICE OF CHILDREN AND ADULT LICENSING</b>	
Full-time equated classified positions .....	208.0
AFC, children's welfare and day care licensure—208.0 FTE positions.....	\$ 21,754,300
GROSS APPROPRIATION .....	\$ 21,754,300
Appropriated from:	
Federal revenues:	
Total federal revenues .....	11,458,000
Special revenue funds:	
Restricted - licensing fees.....	620,900
Restricted - health fees and collections.....	111,200
State general fund/general purpose .....	\$ 9,564,200
<b>Sec. 112. PUBLIC ASSISTANCE</b>	
Family independence program .....	\$ 392,121,800
State disability assistance payments.....	34,589,600

For Fiscal Year  
Ending Sept. 30,  
2006

Food assistance program benefits.....	\$ 1,218,740,900
State supplementation .....	59,535,200
State supplementation administration.....	2,493,200
Low-income home energy assistance program .....	116,467,700
Food bank council of Michigan emergency food provisions .....	525,000
Homeless shelter contracts.....	11,646,700
Multicultural assimilation funding .....	1,715,500
Indigent burial .....	5,909,300
Emergency services local office allocations.....	21,865,500
Day care services.....	465,438,600
<b>GROSS APPROPRIATION .....</b>	<b>\$ 2,331,049,000</b>
Appropriated from:	
Federal revenues:	
Total federal revenues .....	1,821,543,200
Special revenue funds:	
Child support collections .....	47,710,700
Supplemental security income recoveries.....	9,104,800
Public assistance recoupment revenue.....	2,500,000
State general fund/general purpose .....	\$ 450,190,300
<b>Sec. 113. INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 80,253,300
Child support automation.....	71,143,300
<b>GROSS APPROPRIATION .....</b>	<b>\$ 151,396,600</b>
Appropriated from:	
Federal revenues:	
Total federal revenues .....	113,045,200
Special revenue funds:	
Total other state restricted revenue.....	6,100,000
State general fund/general purpose .....	\$ 32,251,400

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2005-2006 is \$1,152,438,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is \$90,607,800.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HUMAN SERVICES

PERMANENCY FOR CHILDREN

Child care fund.....	\$ 85,218,400
County juvenile officers.....	3,269,100

OPPORTUNITY FOR ADULTS TO LIVE AND WORK IN THE COMMUNITY

State disability program .....	2,120,300
<b>TOTAL.....</b>	<b>\$ 90,607,800</b>

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

Sec. 203. As used in this act:

- (a) "AFC" means adult foster care.
- (b) "Department" means the department of human services.
- (c) "FTE" means full-time equated.
- (d) "GED" means general educational development.
- (e) "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 may grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause loss of revenue to the state, result in the inability of the state to receive federal funds, or necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives appropriations committees and the senate and house fiscal agencies and policy offices on the number of exceptions to the hiring freeze approved during the previous 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. Sanctions, suspensions, conditions for provisional license status, and other penalties shall not be more stringent for private service providers than for public entities performing equivalent or similar services. Private service providers or licensees shall not be granted preferential treatment or deemed automatically in compliance with administrative rules based on whether they have collective bargaining agreements with direct care workers. Private service providers or licensees without collective bargaining agreements shall not be subjected to additional requirements or conditions of licensure based on their lack of such collective bargaining agreements. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 9 months.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this 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 shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

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

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

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

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

Sec. 214. (1) The department shall submit a report to the chairpersons of the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget

director on the details of allocations within program budgeting line items and within the salaries and wages line items in all appropriation units. The report shall include a listing, by account, dollar amount, and fund source, of salaries and wages; longevity and insurance; retirement; contractual services, supplies, and materials; equipment; travel; and grants within each program line item appropriated for the fiscal year ending September 30, 2006.

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

Sec. 215. (1) If a legislative objective of this 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.

(2) The department shall provide the senate and house appropriation subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director with the citation and a copy of any federal statute, regulation, policy, or directive that the department determines presents a conflict as described in subsection (1). The department shall apply for any available waiver or relief from federal requirements or sanctions that would allow it to comply with state law without federal penalty.

Sec. 217. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2006 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Sec. 218. (1) The department shall prepare 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 department 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 department and to the house and senate fiscal agencies and policy offices of any proposed changes in utilization or distribution of TANF funding or the distribution of TANF maintenance of effort spending relative to the amounts reflected in the annual appropriations acts of all state agencies where TANF funding is appropriated. The written notice shall be given not less than 30 days before any changes being made in the funding allocations. This prior notice requirement also applies to new plans submitted in response to federal TANF reauthorization or replacement by an equivalent federal law.

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

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

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

(4) The department shall follow guidelines related to faith-based involvement established in 42 USC 604a.

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

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

Sec. 224. The department shall approve or deny a Medicaid application for a patient of a nursing home within 45 days after the receipt of the necessary information.

Sec. 225. The department shall develop a rapid redetermination process for nursing home residents whose Medicaid stay is greater than 90 days. This process shall be implemented not later than January 1, 2006.

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

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

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

(a) Name and description of base service.

(b) Detail goals and objectives related to each base service.

(c) Cost of each base service.

(d) Time frame for implementation or completion of base service.

(e) Impact, if any, on caseload management by local office staff, and on service to individual or family clients in local offices.

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

Sec. 261. The department, in conjunction with the county department of human services boards of directors and the department of management and budget, shall develop a plan to restructure local offices. This plan shall include an emphasis on maximization of service while maintaining a reduction in administrative cost. Duplication of services shall be identified and solutions to remove the duplication shall be detailed in the plan. Any plan presented shall ensure that the department provides a presence and services in every county. The plan shall be submitted to the senate and house appropriations subcommittees for the department budget by January 15, 2006 and shall include an implementation date during the 2005-2006 fiscal year. The savings resulting from this plan may be allocated to the counties generating the savings to fund additional frontline workers at the county office level and additional staff to reduce wait time for Medicaid eligibility determinations.

Sec. 262. The department, in conjunction with county department of human services boards of directors and the department of management and budget, shall develop a plan to assist local services delivery effectiveness and efficiency by maximizing use of state resources while responding to unique needs in geographic regions of the state. It is the intent of the legislature that the savings resulting from this plan beyond the \$832,100.00 reduction imposed in part 1 from the field staff, salaries and wages line item be allocated to county offices to fund additional frontline workers. The department shall submit a detailed consolidation plan to the house and senate appropriations subcommittees for the department budget by January 1, 2006.

Sec. 264. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

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

Sec. 270. (1) The department shall develop a plan to provide client-centered results-oriented programs and services for each of the following programs:

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

(2) The plan shall include detailed information to be compiled on an annual basis by the department on the following for each program listed in subsection (1):

- (a) The average cost per recipient served by the program.
- (b) Measurable performance indicators for each program.
- (c) Desired outcomes or results and goals for each program that can be measured on an annual basis, or desired results for a defined number of years.
- (d) Monitored results for each program.
- (e) Innovations for each program that may include savings or reductions in administrative costs.

(3) During the annual budget presentation, the department shall provide the senate and house appropriations subcommittees on the department budget the information listed in subsection (2).

Sec. 271. (1) The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director on the progress of child and family services reviews (CFSR). The reviews, conducted in the state by the children's bureau of the United States department of health and human services, are intended to assess the department's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115, with the ultimate goal of improving the state child welfare system and the safety, permanency, and child and family service outcomes to children and families. The report shall be submitted 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 department budget, the senate and house standing committees on human services, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director on the result of the title IV-E foster care eligibility reviews. The reviews, conducted in the state by the United States department of health and human services, are intended to assess the department's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115, ensuring the department's case files and payments records meet federal regulations, including standards on eligibility for placement reimbursement and the allowable payment rate. The report shall be submitted 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, the child welfare institute, the Michigan judicial institute, and any private agencies that have been authorized to provide training.
- (b) Changes made by the courts on court forms and rules used in meeting the statutory requirements.
- (c) Department policy changes that impact meeting the statutory requirements for foster care and adoption, including juvenile justice programs.
- (d) Recommendations made by a department workgroup composed of representatives from the department and other departments and agencies.



- (e) Federal recommendations submitted to the state, including recommendations to the courts.
- (f) Federal penalties assessed against the state.

Sec. 273. (1) The department shall report no later than October 1, 2005 on each specific policy change made to implement enacted legislation to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services, and the senate and house fiscal agencies and policy offices.

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

(3) Not later than July 1, 2006, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director the annual regulatory plan submitted to the state office of administrative hearings and rules pursuant to section 53 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.253. The annual regulatory reform plan shall not include proposals for rule promulgation that exceed the statutory authority granted to the department.

(4) Funds for the preparation of the regulatory reform plan shall be provided solely in section 102 of the funds appropriated in part 1. Funds appropriated in part 1 shall not be used to prepare regulatory plans or promulgate rules that would exceed statutory authority granted to the department. If the department fails to provide statutory authority and additional information for its regulatory reform plan pursuant to section 39(1) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.239, no funds shall be expended for the further preparation of that plan or the promulgation of rules in that plan.

(5) Funds appropriated in part 1 shall not be used to prepare regulatory plans or promulgate rules that fail to reduce the disproportionate economic impact on small businesses pursuant to section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(6) Funds appropriated in part 1 shall not be used to prepare regulatory plans or promulgate rules that would grant preferences to private providers of services based on whether they had collective bargaining agreements with workers.

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

Sec. 278. (1) The department shall contract with 1 or more private consulting firms for revenue maximization services for all caseload services currently provided by the department. A contract under this section shall specify that the contractor locate waste, fraud, error, and abuse within the department's services and programs.

(2) A contractor shall not charge the department a fee for services provided under subsection (1). However, a contractor shall receive a negotiated percentage of the savings not to exceed 33.3% of the gross savings achieved from implementation of a recommendation made by the contractor under this section.

(3) The department shall retain up to \$5,000,000.00 of savings achieved through the revenue maximization services contract as an offset to general fund/general purpose costs. Additional savings shall be allocated within the department for the following purposes:

- (a) Technology programs that help maintain an effective and efficient computer system for caseworkers.
- (b) Additional staff in order to reduce worker-to-case ratios.

(4) The department shall provide a report to the senate and house appropriations subcommittees on the department budget, senate and house standing committees on human services matters, senate and house fiscal agencies and policy offices, and state budget director by December 31, 2005 on the waste, fraud, error, and abuse located under subsection (1). By April 1, 2006, the department shall provide a progress report including the specific changes implemented to achieve savings under this section and the timetable for implementation of the remaining changes.

Sec. 279. All contracts relating to human services entered into or renewed by the department on or after October 1, 2005 shall be performance-based contracts that employ a client-centered results-oriented process that is based on measurable performance indicators and desired outcomes and includes the annual assessment of the quality of services provided. During the annual budget presentation, the department shall provide the senate and house appropriations subcommittees on the department budget with the measurable performance indicators, desired outcomes, and the assessment of the quality of services provided for each contract relating to human services entered into by the department during fiscal year 2005-2006.

Sec. 280. The department shall submit a report to the house and senate appropriations subcommittees for the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget director by February 1, 2006 on the status of the department's information technology improvement initiatives. The report shall include details on the following:

- (a) The amounts expended during the previous fiscal year and the first quarter of the current fiscal year by project.

(b) The amounts of appropriations carried forward from previous fiscal years for information technology improvement projects.

(c) A narrative describing the projects and activities undertaken during the previous fiscal year and during the first quarter of the current fiscal year.

#### **EXECUTIVE OPERATIONS**

Sec. 301. Not later than September 30 of each year, the department shall submit for public hearing to the chairpersons of the house and senate appropriations subcommittees dealing with appropriations for the department budget the proposed use and distribution plan for community services block grant funds appropriated in part 1 for the succeeding fiscal year.

Sec. 302. The department shall develop a plan based on recommendations from the department of civil rights and from Native American organizations to assure that the community services block grant funds are equitably distributed. The plan must be developed by October 31, 2005, and the plan shall be delivered to the appropriations subcommittees on the department budget in the senate and house, the senate and house fiscal agencies, and the state budget director.

Sec. 303. (1) Of the funds appropriated in part 1 for community services block grants, \$2,350,000.00 represents TANF funding earmarked for community action agencies.

(2) In addition to the money referred to in subsection (1), the department shall award up to \$500,000.00 in competitive grants to organizations based on their education and outreach with the earned income tax credit (EITC). Organizations shall be given preference based on their emphasis on clients who have never filed for the EITC, clients with children, and clients for whom receipt of the EITC will make it easier for them to move off public assistance.

(3) In addition to the money referred to in subsection (1), the department shall award up to \$250,000.00 in competitive grants to organizations that seek to provide programs combining education on the EITC with programs building skills for strong marriages, fatherhood, or parenting.

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

#### **ADULT AND FAMILY SERVICES (SELF-SUFFICIENCY)**

Sec. 415. (1) In expending money appropriated in part 1 for the fatherhood initiative, the department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations. The independent contractors shall provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations. An independent contractor that cannot secure matching funds shall not be excluded from consideration for the fatherhood program.

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

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

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

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

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

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

(3) A marriage initiative program established under this section may include, but is not limited to, 1 or more of the following: public advertising campaigns on the value of marriage and the skills needed to increase marital stability and health; education in high schools on the value of marriage, relationship skills, and budgeting; premarital, marital,

family, and domestic violence counseling; effective communication; marriage mentoring programs which use married couples as role models and mentors in at-risk communities; anger management; and parenting skills to improve the family structure.

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

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

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

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

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

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

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

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

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

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

(2) The department may accept any private money that may be donated to the department to support food stamp outreach efforts in this state. The department shall request a waiver from the United States department of agriculture to permit the donated private money to be used as a match to obtain additional federal food stamp outreach funds from the United States department of agriculture. The department shall use both the private donated money and any federal match funds that may be available as a result of the donated money to contract for additional outreach services as authorized by the department's United States department of agriculture-approved food stamp outreach plan.

(3) The department shall make available \$25,000.00 for a food stamp error rate reduction project in Muskegon County and \$25,000.00 for a food stamp error rate reduction project in Kent County.

Sec. 424. Of the funds appropriated in part 1 for employment and training, \$200,000.00 in TANF funds may be used for the effective family formation program by the child and family resource council in Kent County for the purpose of instructing unwed parents in developing family formation and sustaining behaviors.

#### **CHILD AND FAMILY SERVICES (PERMANENCY FOR CHILDREN)**

Sec. 501. The following goal is established by state law. During fiscal year 2005-2006, 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, 2006, the department shall report to the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on the number of children supervised by the department and by private agencies who remain in foster care between 12 and 24 months, and those who remain in foster care longer than 24 months.

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

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

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

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

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

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

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

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

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

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

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

Sec. 513. 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 within 100 miles of the child's home, while an out-of-state placement does exist within 100 miles of the child's home.
- (b) The out-of-state facility meets all of the licensing standards of this state for a comparable facility.
- (c) The out-of-state facility meets all of the applicable licensing standards of the state in which it is located.
- (d) The department has done an on-site visit to the out-of-state facility, reviewed the facility records, and reviewed licensing records and reports on the facility and believes that the facility is an appropriate placement for the child.

Sec. 514. The department shall make a comprehensive report concerning children's protective services (CPS) to the legislature, including the senate and house policy offices and the state budget director, by January 1, 2006, that shall include all of the following:

- (a) Statistical information including, at a minimum, all of the following:
  - (i) The total number of reports of abuse or neglect investigated under the child protection law, 1975 PA 238, MCL 722.621 to 722.638, and the number of cases classified under category I or category II and the number of cases classified under category III, category IV, or category V.
  - (ii) Characteristics of perpetrators of abuse or neglect and the child victims, such as age, relationship, socioeconomic status, race, and ethnicity and whether the perpetrator exposed the child victim to criminal drug activity, including the manufacture of illicit drugs, that exposed the child victim to significant health and environmental hazards.

(iii) The mandatory reporter category in which the individual who made the report fits, or other categorization if the individual is not within a group required to report under the child protection law, 1975 PA 238, MCL 722.621 to 722.638.

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

(c) The number of cases in category III closed during the time period covered by the report categorized as follows:

(i) Transfer to foster care.

(ii) Risk of further child abuse or neglect has been reduced to an acceptable level.

(d) The department policy, or changes to the department policy, regarding termination of parental rights or foster placement for children who have been exposed to the production of illicit drugs in their dwelling place or a place frequented by the children.

Sec. 515. From the funds appropriated in part 1 for foster care payments and Wayne County foster care payments and related administrative costs, the department shall implement a performance based managed care approach to contracting for foster care services with private, nonprofit agencies. The goal of these contracts shall be to provide incentives for agencies to improve the process of placing children in permanent placements and reducing the time children spend in foster care. The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget office on this foster care permanency program and make recommendations for program expansion to all the counties of this state no later than August 30, 2006. The department shall develop these recommendations with sufficient detail that permanency programs may be implemented as soon as possible after September 30, 2006.

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 2005-2006 direct services grants.

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

(a) Be awarded through a joint request for proposal process established by the department in conjunction with the children's trust fund and the state human services directors.

(b) Be secondary prevention initiatives. Funds are not intended to be expended in cases in which neglect or abuse has been substantiated.

(c) Demonstrate that the planned services are part of a community's integrated comprehensive family support strategy endorsed by the local multipurpose collaborative body.

(d) Provide a 25% local match of which not more than 10% is in-kind goods or services unless the maximum percentage is waived by the state human services directors.

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

Sec. 523. (1) From the funds appropriated in part 1 for youth in transition, domestic violence prevention and treatment, and teenage parent counseling, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

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

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

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

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

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

(iv) The number of father participants.

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

(i) Adult supervised, supportive living arrangements.

(ii) Pregnancy prevention services or referrals.

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

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

(v) Parenting and life-skills training.

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

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

(viii) Instruction on self-protection.

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

Sec. 524. The department shall report on prevention programs for which funds are appropriated in part 1 to the senate and house appropriations subcommittees on the department budget during the annual budget presentation. The report shall contain all of the following for each program:

(a) The average cost per recipient served.

(b) Measurable performance indicators.

(c) Desired outcomes or results and goals that can be measured on an annual basis, or desired results for a defined number of years.

(d) Monitored results.

(e) Innovations that may include savings or reductions in administrative costs.

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

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

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

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

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

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

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

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

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

(2) The department shall develop a streamlined licensing contract compliance review process where possible, including potential for utilizing deeming status for nationally accredited agencies. The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on or before January 15, 2006 on the implementation of the licensing and contract compliance review process.

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

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

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

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

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

(a) Average caseload per foster care worker.

(b) Average cost per case to the department and any other governmental agency.

(c) Range of services provided.

(d) Program outcomes, including the average length of stay in residential treatment and foster care.

(3) The department shall submit a quarterly report to the legislature, beginning December 31, 2005, outlining the progress of the development of the goals, objectives, and performance standards, as well as the information collected through the implementation of the measurement program.

(4) The department, in collaboration with child placing agencies, shall develop a strategy for implementing the requirements of MCL 400.115o. As part of the implementation strategy, the department caseworkers responsible for the preparation of recommendations to the court for juvenile placements shall provide, as part of the placement recommendation, information regarding the requirements.

Sec. 539. The department shall work in collaboration with representatives from private nonprofit child placing agencies to ensure appropriate placement for children who have been adjudicated abused, neglected, or delinquent and for whom residential treatment is required. The department and the representatives from the private nonprofit child placing agencies shall focus on statewide placement criteria to address the best interest of the child in need of services. The placement criteria shall include a continuum of care settings and options as appropriate for each child and his or her needs at specific times, including home placements, relative placements, shelter placements, and other options.

Sec. 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, 2006, counties shall have an approved service spending plan for the fiscal year ending September 30, 2006. Counties must submit the service spending plan to the department by December 15, 2005 for approval.

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

Sec. 545. (1) The department shall implement a new specialized foster care system based upon the report and recommendations required in section 545(2) of 2004 PA 344.

(2) The department shall report to the senate and house appropriations subcommittees for the department budget on the number of new specialized foster care programs required under section 545(3) of 2004 PA 344 not later than January 15, 2006. If no new specialized foster care programs have been authorized, the department shall provide an explanation, a list of all applicants who applied but were denied, and a strategic plan to provide for new specialized foster care programs.

(3) The department shall use money appropriated in part 1 for foster care payments and Wayne County foster care payments to reduce rate disparities between providers of similar services in different geographic areas and to serve as demonstration projects for further efforts in reducing these disparities in future years.

Sec. 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, 2006, the department shall report the results of the study received under subsection (3) to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees with jurisdiction over families and human services issues, the senate and house fiscal agencies and policy offices, and the state budget office.

Sec. 549. The department shall meet with personnel employed by the office of the children's ombudsman and the state court administrative office's foster care review board to investigate streamlining the oversight process for child welfare services. The intent of the legislature is to ensure appropriate and adequate oversight while reducing duplication and redundancy between government offices.

Sec. 550. (1) The department shall develop, in cooperation with the department of community health or other appropriate medical or health experts, materials for distribution to foster care parents and families on the health risks to children from use of tobacco and secondhand smoke.

(2) The department, using public and private resources, shall implement a pilot program to offer foster care parents nicotine patches or other smoking cessation products to reduce the health risk to foster children.

(3) The department shall report to the senate and house appropriations subcommittees for the department budget on the results of the pilot program implemented under subsection (2) not later than September 30, 2006.

Sec. 551. The department shall submit a report not later than September 30, 2006 to the senate and house appropriations subcommittees on the department budget that includes the number of children in foster homes where parents smoke, the subsequent health costs incurred, and what the impact would be on foster care recruitment if being a nonsmoker was a requirement for foster parenting.

Sec. 552. (1) The director of the department shall convene a task force to be known as the interdepartmental task force on services to at-risk youth transitioning to adulthood. The task force shall perform all of the following with respect to services to at-risk youth:

- (a) Assess currently available services.
- (b) Determine the extent of coordination and cooperation among currently available programs and services administered by the department and by other departments and agencies of this state.
- (c) Identify methods to enhance coordination of current services delivery.
- (d) Identify potential available public and private resources and services.
- (e) Develop a plan to ensure that all current public and private resources and services are effectively organized and available.

(f) Recommend actions to enhance services.

(2) The director of the department shall seek participation on the task force created under subsection (1) from all of the following:

- (a) The director of the department of community health or the director's designee.
- (b) The director of the department of labor and economic growth or the director's designee.
- (c) The superintendent of public instruction or the superintendent's designee.
- (d) The state court administrator or his or her designee.
- (e) The association for children's mental health.
- (f) The children's chapter of the courts of Michigan.
- (g) The Michigan probate judges association.
- (h) The Michigan community mental health boards.
- (i) Fight crime: invest in kids – Michigan.
- (j) The Michigan association of school administrators.
- (k) The Michigan association of united ways.
- (l) The Michigan council on crime and delinquency.
- (m) The Michigan federation for children and families.
- (n) The Michigan network for youth and families.
- (o) Michigan's children.
- (p) The school–community health alliance of Michigan.
- (q) The student advocacy center of Michigan.
- (r) The Skillman foundation.
- (s) The W.K. Kellogg foundation.
- (t) The C.S. Mott foundation.
- (u) The Frey foundation.
- (v) The Annie E. Casey foundation.
- (w) Youth and adults who are currently or were formerly served by 1 or more services provided by the department to at-risk youth.
- (x) Representatives of faith-based organizations.

(3) By June 30, 2006, the task force created under subsection (1) shall report to the department. The report shall include the task force findings, assessments, plan, and recommendations under subsection (2).

(4) By September 30, 2006, the department shall provide to the senate and house of representatives standing committees with primary jurisdiction over human service matters, the senate and house of representatives appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget office the task force's report under subsection (3) and identify any actions the department has taken or intends to take as a result of the report.



**PUBLIC ASSISTANCE (ADULTS LIVE AND WORK IN THE COMMUNITY)**

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

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

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

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

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

(3) The department shall review and adjust the standard utility allowance for the state food assistance program to ensure that it reflects current energy costs in the state.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 606. County 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, 2005 and ending September 30, 2006.

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 \$909.00. The funds shall be distributed as follows: \$579.00 for funeral directors; \$192.00 for cemeteries or crematoriums; and \$138.00 for the provider of the vault.

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.
- (g) The only eligible recipient in the household has been incarcerated.

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

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

Sec. 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, care for children of parents working evening or night shifts, and weekend care. A child care program shall not be eligible for an EQUIP grant unless 25% or more of its clients receive day care payments from the department.

(2) From the funds appropriated in part 1 for day care services, the department 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. 635. Within 6 business days of receiving all information necessary to process an application for payments for child day care, the department shall determine whether the child day care provider to whom the payments, if approved, would be made, is listed on the child abuse and neglect central registry. If the provider is listed on the central registry, the department shall immediately send written notice denying the applicant's request for child day care payments.

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

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

Sec. 641. In collaboration with Central Michigan University, the department shall develop and disseminate read, educate, and develop youth (R.E.A.D.Y.) kits to parents of preschool and kindergarten children to provide these parents with information about how they can prepare their children for reading success.

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

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

Sec. 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 7 USC 2015. This exemption can be extended an additional 3 months upon demonstration of continuing need.

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

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

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

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

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

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

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

(7) By January 30, 2006, the department before- or after-school program expenditures shall be audited and the department shall work in collaboration with independent contractors to provide a report on the before- or after-school program to the senate and house standing committees dealing with human services, the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies, and the senate and house policy offices. The report shall include the number of participants and the average cost per participant, as well as changes noted in program participants in any of the following categories:

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

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

Sec. 665. The department shall partner with the department of transportation to use TANF and other sources of available funding to support public transportation needs of TANF-eligible individuals. This partnership shall place a priority on transportation needs for employment or seeking employment or medical or health-related transportation.

Sec. 666. The department shall continue efforts to increase the participation of eligible family independence program recipients in the federal earned income tax credit. The department shall report on the efforts to increase participation to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services, the senate and house fiscal agencies and policy offices, and the state budget director no later than December 31, 2005.

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 \$7,167,500.00 for the annual clothing allowance. The allowance shall be granted to all eligible children as defined by the department.

Sec. 670. The funds appropriated in part 1 for kinship care in the fiscal year ending September 30, 2006 reflect the legislature's commitment to reduce the benefit discrepancy between kinship care and a similar family size within the family independence agency program (FIP). The legislature recognizes the commitment of relatives to provide family continuity, nurturance, and care for this special population of children who can no longer remain in their parents' care due to abuse, neglect, or other social problems.

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

Sec. 674. The department shall develop and implement a plan to reduce waste, fraud, and abuse within the child day care program, including feasibility for expanding wage match and employer verification, unannounced home call verification at day care sites, compliance with recommendations of the auditor general in the May 2005 performance audit of the child day care and child welfare licensing divisions, and other process changes. Beginning December 31, 2005, the department shall report annually to the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on plan details and implementation status.

Sec. 675. The department shall 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, 2006, the department shall report the results of the analysis to the senate and house subcommittees on the department 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 partnership and oversee its efforts to implement the policy recommendations and strategic next steps identified in the Michigan after-school initiative's report of December 15, 2003.

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

(3) Each year, on or before December 31, the Michigan after-school partnership shall report its progress in reaching the recommendations set forth in the Michigan after-school initiative's report to the senate and house committees on appropriations, the senate and house fiscal agencies and policy offices, and the state budget director.

Sec. 677. The department shall establish a state goal for the percentage of family independence program (FIP) cases involved in employment activities. The percentage established shall not be less than 50%. On a quarterly basis, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on the current percentage of FIP cases involved in employment activities. If the FIP case percentage is below the goal for more than 2 consecutive quarters, the department shall develop a plan to increase the percentage of FIP cases involved in employment-related activities. The department shall deliver the plan during the next annual budget presentation to the senate and house appropriations subcommittees on the department budget.

Sec. 678. The department shall provide the senate and house of representatives appropriations subcommittees on the department budget with the cost and revenue implications for the early childhood investment corporation (ECIC) at least 3 months before a request for a transfer or supplemental appropriation. Additionally, all contracts entered into shall be bid out through a statewide request-for-proposal process, and the department shall report to the senate and house of representatives appropriations subcommittees on the department budget on the selection criteria for establishing contracts with intermediate school districts at least 30 days prior to the issuance of a request for a proposal. The department shall report to the senate and house of representatives appropriations subcommittees on the department budget by October 1, 2005 at least the following information related to the status of the ECIC:

- (a) The cost.
- (b) The implementation plan.
- (c) The projected funding sources.
- (d) All contracts entered into by the department.

Sec. 679. By January 1, 2006, the department shall implement 1 pilot program in 4 to 6 of the departmentally recognized shelter areas to assist long-term family independence program recipients to achieve self-sufficiency. The

pilot programs shall not include policies that result in weakened exemptions for work participation or weakened sanctions for noncompliance with work requirements. The department shall report, by June 1, 2006, to the house and senate appropriations committees and house and senate fiscal agencies the policies established, the sanctions applied to participants, an assessment of barriers to employment, and services needed to address those barriers. The pilot report shall also include recommendations to reduce the number of recipient caseloads receiving cash assistance for more than 48 months. The pilot shall also include any legislatively enacted changes to sections 57f and 57g of the social welfare act, 1939 PA 280, MCL 400.57f and 400.57g.

#### **JUVENILE JUSTICE SERVICES (REHABILITATION)**

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

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

- (a) Admission and release data and other information related to demographics of population served.
  - (b) Program descriptions and information related to treatment, educational services, and conditions of confinement.
  - (c) Program outcomes including recidivism rates for youth served by the facility.
- (2) The department during the annual budget presentation shall outline the progress of the development of the goals, objectives, and performance standards, as well as the information collected through the implementation of the performance measurement program. The presentation shall include all of the following:
- (a) Trends in census and population demographics.
  - (b) Program outcomes.
  - (c) Staff and resident safety.
  - (d) Facility profile.
  - (e) Fiscal information necessary for qualitative understanding of program operations and comparative costs of public and private facilities.

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

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

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

(4) The department shall report to the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget director by January 15, 2006 on department efforts to encourage county information networks development described in subsection (1).

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

(2) The department shall report to the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget director by October 30, 2005 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. 719. The department shall notify the legislature at least 30 days before closing or making any change in the status of a state juvenile justice facility.

Sec. 720. (1) The goal of high security juvenile services funded in part 1 shall be to protect the general public from dangerous juvenile offenders while providing rehabilitation services to those offenders to safely prepare them for entry into society.

(2) The department shall take into consideration the recommendations on a methodology for measuring goals, objectives, and performance standards developed in conjunction with private providers of juvenile justice residential programs required in section 705 of 2004 PA 344.

(3) The department shall allocate money to public and private providers of high security juvenile services based on their ability to demonstrate results in all of the following:

- (a) Lower recidivism rates.
- (b) Higher school completion rates or GED completion rates.
- (c) Shorter average stays in a residential facility.
- (d) Lower average cost per resident.
- (e) Availability of appropriate services to residents.

(4) The department shall comply with section 115o of the social welfare act, 1939 PA 280, MCL 400.115o, regarding placement of juvenile offenders, and shall refer to that statutory requirement in making referral recommendations to courts for secure residential programs.

(5) The department shall require, if possible and practical, that aftercare services for a juvenile offender be provided by the same organization or provider that provided residential care for that juvenile.

Sec. 721. (1) The goal of medium or low security juvenile services shall be effective treatment of juvenile offenders to safely prepare them for entry into society.

(2) The department shall allocate money to public and private providers of medium or low security juvenile services based on their ability to demonstrate results in all of the following:

- (a) Reduced rates of recidivism.
- (b) Higher rates of high school or GED completion.
- (c) Shorter average stays in a residential facility.
- (d) Availability of appropriate services to residents.

(3) The department shall comply with section 115o of the social welfare act, 1939 PA 280, MCL 400.115o, regarding the placement of juvenile offenders, and shall refer to that statutory requirement in making referral recommendations to courts for residential treatment programs.

(4) The department shall require, if possible and practical, that aftercare services for a juvenile offender be provided by the same program or provider that provided treatment for the juvenile in residential care.

Sec. 722. (1) The goal of juvenile justice day programs shall be the effective treatment and rehabilitation of juvenile offenders in appropriate community settings.

(2) The department shall allocate money to public and private providers of juvenile justice day programs based on their ability to demonstrate results in all of the following:

- (a) Reduced rates of recidivism.
- (b) Higher rates of high school or GED completion.
- (c) Availability of appropriate services to offenders.

Sec. 723. A provider of juvenile services may receive funding for services of different security levels if the provider has appropriate services for each security level and adequate measures to separate residents of each security level.

#### **LOCAL OFFICE SERVICES**

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

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

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

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

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

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

- (a) A list of eligible schools.
- (b) The selection criteria to be used.
- (c) The projected number to be opened.
- (d) The financial implications for expansion, including funding sources.

Sec. 753. The department shall implement the recommendations of the 2004 public private partnership initiative's training committee to define, design, and implement a train-the-trainer program to certify private agency staff to deliver child welfare staff training, explore the use of e-learning technologies, and include consumers in the design and implementation of training. The intent of the legislature is to reduce training and travel costs for both the department and the private agencies. The department shall report no later than December 1, 2005 on each specific policy change made to implement enacted legislation and the plans to implement the recommendations, including time lines, to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services matters, the senate and house fiscal agencies and policy offices, and the state budget director.

#### **DISABILITY DETERMINATION SERVICES**

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

#### **CHILD SUPPORT ENFORCEMENT**

Sec. 901. (1) 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) If the child support incentive payment to the state from the federal government is less than was paid in fiscal year 2000-2001, the payment to counties shall be prorated in a like percentage amount reflecting reduced revenue.

(3) If the child support incentive payment to the state from the federal government is greater than that amount retained by the state in subsection (1), the funds above the amount retained in subsection (1) shall be paid to the counties in a proportionate distribution similar to the local match supplement paid in fiscal year 2003-2004.

(4) If the child support payment to the state from the federal government is greater than the amount retained by the state in subsection (1) plus the amount necessary to pay counties a local match supplement equal to that paid in fiscal year 2003-2004, the additional funds shall be subject to appropriation by the legislature.

(5) The department may, if 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.

Sec. 902. (1) Of the funds appropriated in part 1 for the child support computer system (MiCSES), \$17,800,000.00 shall be used to fix and improve the system. This shall be in addition to funds appropriated for the maintenance and operation of the system. This appropriation assumes the collection of \$6,100,000.00 in new restricted funds from the child support arrearage settlement program, and federal matching funds of \$11,700,000.00.

(2) The department shall consult with the department of treasury and any outside consultant with collections expertise under contract with the department of treasury to develop a plan to maximize the collection of child support and child support arrearage settlement for the purposes of this section.

(3) If collections from the revenue sources identified to fix and improve the system fall short of the money appropriated in subsection (1), the department shall reduce expenditures to match those collections.

(4) If collections from the state restricted revenue sources identified to fix and improve the system exceed the amount appropriated in subsection (1) and paid to the federal government, by a sum greater than \$610,000.00, the revenue above \$6,710,000.00 shall be allocated to counties to restore funding for legal support contracts. If collections from the restricted revenue sources and payments to the federal government exceed \$7,140,767.00, the department and representatives from counties and the friends of court shall meet and agree upon recommendations for use of the additional revenue. The additional revenue shall be subject to appropriation by the legislature.

(5) The department, through the child support leadership group, shall provide quarterly reports to the legislature concerning money expended and improvements made as a result of this section.

(6) Unexpended funds for child support automation improvements at the end of the fiscal year are intended to be carried forward for continued work on improvements. These funds 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. 903. The department may facilitate with the department of community health a program under which the departments independently or jointly contract with local friend of the court offices to update and maintain the child support statewide database with health insurance information in cases in which the court has ordered a party to the case to maintain health insurance coverage for the minor child or children involved in the case and to assist in the recovery of money paid by the state for health care costs that are otherwise recoverable from a party to the case. The program shall be in addition to a program or programs under existing contract between either or both of the departments with a private entity on September 1, 2005. The program shall be entirely funded with state and federal funds from money first recovered or through costs that are avoided by charging the insurance coverage for minor children from state programs to private insurance.

Sec. 904. The department is prohibited from charging back to the counties any of the fees paid that are charged by the internal revenue service or the department of treasury related to the tax intercept and offset programs. The state share of those fees shall be paid from money otherwise provided for office of child support programs.



Sec. 905. Of the funds appropriated in part 1 for child support collections, \$1,000,000.00 shall be allocated to counties for the local match for friend of the court services legal support contracts and to payments to county prosecutors for related legal services.

**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. 1005. The department shall develop a plan for a performance-based licensing system. The plan shall include an approach that emphasizes site visits for new licensees and licensees with violations or filed complaints and random, but not required, site visits for licensees who have been in business for 5 years or more with no violations or filed complaints. The plan shall direct the licensing staff and field consultants to prioritize resources and site reviews on new licensees and those with documented complaints. The plan shall include an implementation date for fiscal year 2005-2006 and be submitted, by January 31, 2006, to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director.

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

A bill to make appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2006; 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.

Bill Hardiman  
 Thomas M. George  
 Martha G. Scott  
 Conferees for the Senate

Rick Shaffer  
 Roger Kahn  
 Chris Kolb  
 Conferees for the House

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. 417**

**Yeas—38**

Allen	Clark-Coleman	Jacobs	Sanborn
Barcia	Clarke	Jelinek	Schauer
Basham	Cropsey	Johnson	Scott
Bernero	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—0**

**Not Voting—0**

In The Chair: President

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

Senator Garcia submitted the following:

**FIRST CONFERENCE REPORT**

The Committee of Conference on the matters of difference between the two Houses concerning **Senate Bill No. 272, entitled**

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, civil service, information technology, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2006; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

Recommends:

First: That the House 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, supplement, and adjust appropriations for the departments of attorney general, civil rights, civil service, information technology, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2006; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

**THE 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 departments of attorney general, civil rights, civil service, information technology, management and budget, state, and treasury, the executive office, the legislative branch, and certain other state purposes, for the fiscal year ending September 30, 2006, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**TOTAL GENERAL GOVERNMENT**

**APPROPRIATION SUMMARY:**

Full-time equated unclassified positions .....	48.0	
Full-time equated classified positions .....	7,061.4	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 2,914,403,600</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....	573,818,400	
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 2,340,585,200</b>
Federal revenues:		
Total federal revenues .....	52,977,000	

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Special revenue funds:	
Total local revenues .....	\$ 2,725,400
Total private revenues .....	550,100
Total other state restricted revenues .....	1,687,569,800
State general fund/general purpose .....	\$ 596,762,900

**Sec. 102. DEPARTMENT OF ATTORNEY GENERAL**

**(1) APPROPRIATION SUMMARY**

Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	560.0
GROSS APPROPRIATION .....	\$ 64,720,400
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	13,408,400
ADJUSTED GROSS APPROPRIATION .....	\$ 51,312,000

Federal revenues:

Total federal revenues .....	8,799,400
Special revenue funds:	
Total local revenues .....	0
Total private revenues .....	0
Total other state restricted revenues .....	11,011,400
State general fund/general purpose .....	\$ 31,501,200

**(2) ATTORNEY GENERAL OPERATIONS**

Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	560.0
Attorney general .....	124,900
Unclassified positions—5.0 FTE positions .....	476,300
Attorney general operations—520.0 FTE positions .....	58,975,800
Child support enforcement—25.0 FTE positions .....	2,336,400
Prosecuting attorneys coordinating council—15.0 FTE positions .....	1,780,100
PACC, training project .....	325,000
GROSS APPROPRIATION .....	\$ 64,018,500

Appropriated from:

Interdepartmental grant revenues:

IDG from MDCH, health services .....	1,690,200
IDG from MDHS .....	2,928,000
IDG from MDLEG, financial and insurance services .....	1,016,100
IDG from MDLEG, public utility assessments .....	1,869,300
IDG from MDMB, risk management revolving fund .....	1,256,800
IDG from MDOT, comprehensive transportation fund .....	145,900
IDG from MDOT, state aeronautics fund .....	144,000
IDG from MDOT, state trunkline fund .....	2,861,400
IDG from MDSP, Michigan justice training fund .....	325,000
IDG from Michigan gaming control board .....	931,700
IDG from treasury, land reutilization fund .....	240,000

Federal revenues:

DAG, state administrative match grant/food stamps .....	368,800
DED-OPSE, student loan, federal lender allowance .....	304,600
DOL-ETA, unemployment insurance .....	1,488,100
DOL-OSHA, occupational safety and health .....	261,300
EPA, multiple grants .....	267,100
Federal funds .....	2,049,800
HHS, medical assistance, medigant .....	597,400
HHS-OS, state Medicaid fraud control units .....	3,462,300

Special revenue funds:

Antitrust enforcement collections .....	595,600
Attorney general's operations fund .....	797,300
Auto repair facilities fees .....	214,500
Collections revenue .....	649,800

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Corporate fees and security fees .....	\$	140,300
Environmental response fund .....		723,300
Franchise fees .....		268,800
Game and fish protection fund .....		704,600
Liquor purchase revolving fund .....		943,400
Manufactured housing fees .....		209,200
Michigan state housing development authority fees .....		525,300
Oil and gas privilege fee revenue .....		159,500
Prisoner reimbursement .....		421,800
Prosecuting attorneys training fees .....		340,000
Real estate enforcement fund .....		226,000
Retirement funds .....		694,300
Second injury fund .....		951,000
Self-insurers security fund .....		160,500
Silicosis and dust disease fund .....		490,800
State building authority revenue .....		90,100
State hospital authority .....		340,000
State lottery fund .....		228,000
Tobacco settlement trust fund .....		386,800
Utility consumers fund .....		513,100
Waterways fund .....		92,000
Worker's compensation administrative revolving fund .....		145,400
State general fund/general purpose .....	\$	30,799,300
<b>(3) INFORMATION TECHNOLOGY</b>		
Information technology services and projects .....	\$	701,900
<b>GROSS APPROPRIATION</b> .....	\$	<u>701,900</u>
Appropriated from:		
State general fund/general purpose .....	\$	701,900
<b>Sec. 103. DEPARTMENT OF CIVIL RIGHTS</b>		
<b>(1) APPROPRIATION SUMMARY</b>		
Full-time equated unclassified positions .....		5.0
Full-time equated classified positions .....		136.0
<b>GROSS APPROPRIATION</b> .....	\$	13,158,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		0
<b>ADJUSTED GROSS APPROPRIATION</b> .....	\$	13,158,500
Federal revenues:		
Total federal revenues .....		1,049,800
Special revenue funds:		
Total local revenues .....		0
Total private revenues .....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	12,108,700
<b>(2) CIVIL RIGHTS OPERATIONS</b>		
Full-time equated unclassified positions .....		5.0
Full-time equated classified positions .....		136.0
Unclassified positions—5.0 FTE positions .....		264,100
Civil rights operations—136.0 FTE positions .....		12,110,300
Human resources optimization user charges .....		29,500
<b>GROSS APPROPRIATION</b> .....	\$	<u>12,403,900</u>
Appropriated from:		
Federal revenues:		
EEOC, state and local antidiscrimination agency contracts .....		650,000
HUD, grant .....		399,800
State general fund/general purpose .....	\$	11,354,100
<b>(3) INFORMATION TECHNOLOGY</b>		
Information technology services and projects .....	\$	754,600
<b>GROSS APPROPRIATION</b> .....	\$	<u>754,600</u>

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Appropriated from:	
State general fund/general purpose .....	\$ 754,600
<b>Sec. 104. DEPARTMENT OF CIVIL SERVICE</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
Full-time equated classified positions .....	240.5
GROSS APPROPRIATION .....	\$ 35,941,600
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	5,670,900
ADJUSTED GROSS APPROPRIATION .....	\$ 30,270,700
Federal revenues:	
Total federal revenues .....	4,779,100
Special revenue funds:	
Total local revenues .....	1,700,000
Total private revenues .....	150,000
Total other state restricted revenues .....	16,539,200
State general fund/general purpose .....	\$ 7,102,400
<b>(2) CIVIL SERVICE OPERATIONS</b>	
Full-time equated classified positions .....	240.5
Agency services—109.5 FTE positions .....	11,151,300
Human resources/administrative support—45.0 FTE positions .....	9,195,400
Employee benefits—31.0 FTE positions .....	5,660,900
Audit and compliance—25.0 FTE positions .....	2,845,600
Training .....	1,300,000
Human resources optimization—30.0 FTE positions .....	2,000,000
GROSS APPROPRIATION .....	\$ 32,153,200
Appropriated from:	
Interdepartmental grant revenues:	
IDG, training charges .....	1,300,000
IDG, 1% special funds .....	1,300,000
IDG, human resources optimization user charges .....	2,000,000
Federal revenues:	
Federal funds 1% .....	3,637,100
Special revenue funds:	
Local funds 1% .....	1,700,000
Private funds 1% .....	150,000
Freedom of information fees .....	1,100
State restricted funds 1% .....	7,274,500
State sponsored group insurance .....	2,650,000
State sponsored group insurance, flexible spending accounts and COBRA .....	5,660,900
State general fund/general purpose .....	\$ 6,479,600
<b>(3) INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 3,788,400
GROSS APPROPRIATION .....	\$ 3,788,400
Appropriated from:	
Interdepartmental grant revenues:	
IDG, human resources optimization user charges .....	1,070,900
Federal revenues:	
Federal funds 1% .....	1,142,000
Special revenue funds:	
State restricted funds 1% .....	812,400
State sponsored group insurance, flexible spending accounts and COBRA .....	140,300
State general fund/general purpose .....	\$ 622,800
<b>Sec. 105. EXECUTIVE OFFICE</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
Full-time equated unclassified positions .....	10.0
Full-time equated classified positions .....	74.2
GROSS APPROPRIATION .....	\$ 5,375,500

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Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....	\$	0
ADJUSTED GROSS APPROPRIATION .....	\$	5,375,500
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues .....		0
Total private revenues .....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	5,375,500
<b>(2) EXECUTIVE OFFICE OPERATIONS</b>		
Full-time equated unclassified positions .....		10.0
Full-time equated classified positions .....		74.2
Governor .....		177,000
Lieutenant governor .....		123,900
Executive office—74.2 FTE positions .....		4,224,800
Unclassified positions—8.0 FTE positions .....		849,800
GROSS APPROPRIATION .....	\$	5,375,500
Appropriated from:		
State general fund/general purpose .....	\$	5,375,500
<b>Sec. 106. DEPARTMENT OF INFORMATION TECHNOLOGY</b>		
<b>(1) APPROPRIATION SUMMARY</b>		
Full-time equated unclassified positions .....		6.0
Full-time equated classified positions .....		1,760.4
GROSS APPROPRIATION .....	\$	365,194,400
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		365,194,400
ADJUSTED GROSS APPROPRIATION .....	\$	0
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues .....		0
Total private revenues .....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	0
<b>(2) ADMINISTRATION</b>		
Full-time equated unclassified positions .....		6.0
Full-time equated classified positions .....		1,760.4
Unclassified positions—6.0 FTE positions .....		300,000
Enterprisewide services—75.0 FTE positions .....		24,062,500
Health and human services—775.6 FTE positions .....		203,164,200
Education services—38.9 FTE positions .....		3,070,600
Public protection—300.0 FTE positions .....		33,644,500
Resources services—171.1 FTE positions .....		16,961,000
Transportation services—107.0 FTE positions .....		27,353,300
General services—292.8 FTE positions .....		56,638,300
GROSS APPROPRIATION .....	\$	365,194,400
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of agriculture .....		1,475,600
IDG from department of attorney general .....		718,300
IDG from department of civil rights .....		754,600
IDG from department of civil service .....		3,800,400
IDG from department of community health .....		30,468,800
IDG from department of corrections .....		14,076,000
IDG from department of education .....		2,532,900
IDG from department of environmental quality .....		6,814,800

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IDG from Michigan gaming control board.....	\$	1,143,500
IDG from department of history, arts, and libraries .....		808,600
IDG from department of human services .....		133,619,800
IDG from department of labor and economic growth.....		42,486,200
IDG from bureau of state lottery.....		4,397,000
IDG from department of management and budget.....		25,268,900
IDG from department of military and veterans affairs .....		1,119,300
IDG from department of natural resources.....		8,846,000
IDG from department of state .....		22,225,500
IDG from department of state police.....		20,894,900
IDG from department of transportation.....		27,460,400
IDG from department of treasury.....		16,282,900
State general fund/general purpose .....	\$	0

**Sec. 107. LEGISLATURE**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	129,731,900
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		2,301,500
ADJUSTED GROSS APPROPRIATION.....	\$	127,430,400
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues .....		0
Total private revenues .....		400,000
Total other state restricted revenues .....		2,356,500
State general fund/general purpose .....	\$	124,673,900

**(2) LEGISLATURE**

Senate .....	\$	29,543,100
Senate automated data processing .....		2,618,000
Senate fiscal agency.....		3,144,400
House of representatives .....		45,743,200
House automated data processing .....		2,079,200
House fiscal agency .....		3,042,600
Legislative auditor general.....		15,977,500
GROSS APPROPRIATION .....	\$	102,148,000

Appropriated from:

Interdepartmental grant revenues:		
IDG from department of corrections .....		500,000
IDG from MDCS .....		107,900
IDG from MDLEG, liquor purchase revolving fund.....		11,300
IDG from MDOT, comprehensive transportation fund .....		25,200
IDG from MDOT, Michigan transportation fund.....		204,300
IDG from MDOT, state aeronautics fund .....		19,600
IDG from MDOT, state trunkline fund.....		474,600
IDG, single audit act.....		958,600
Special revenue funds:		
Construction lien fund .....		7,200
Contract audit administration fees.....		52,700
Correctional industries revolving fund .....		31,300
Game and fish protection fund.....		21,400
Marine safety fund.....		1,900
Michigan economic development corporation .....		41,200
Michigan education trust fund .....		30,000
Michigan state fair revolving fund .....		33,000
Michigan state housing development authority fees .....		22,100
Michigan strategic fund .....		37,500
Michigan veterans' trust fund.....		24,400

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Motor transport revolving fund .....	\$	4,700
Office services revolving fund .....		6,800
State services fee fund .....		926,900
Waterways fund .....		5,600
State general fund/general purpose .....	\$	98,599,800
<b>(3) LEGISLATIVE COUNCIL</b>		
Legislative council .....	\$	10,271,900
Legislative service bureau automated data processing .....		1,411,700
Worker's compensation .....		136,600
National association dues .....		100,500
GROSS APPROPRIATION .....	\$	11,920,700
Appropriated from:		
Interdepartmental grant revenues:		
Special revenue funds:		
Private - gifts and bequests revenues .....		400,000
State general fund/general purpose .....	\$	11,520,700
<b>(4) LEGISLATIVE RETIREMENT SYSTEM</b>		
General nonretirement expenses .....	\$	4,449,900
GROSS APPROPRIATION .....	\$	4,449,900
Appropriated from:		
Special revenue funds:		
Court fees .....		1,109,800
State general fund/general purpose .....	\$	3,340,100
<b>(5) PROPERTY MANAGEMENT</b>		
Capitol building .....	\$	2,305,700
Cora Anderson building .....		7,963,400
Farnum building and other properties .....		944,200
GROSS APPROPRIATION .....	\$	11,213,300
Appropriated from:		
State general fund/general purpose .....	\$	11,213,300
<b>Sec. 108. DEPARTMENT OF MANAGEMENT AND BUDGET</b>		
<b>(1) APPROPRIATION SUMMARY</b>		
Full-time equated unclassified positions .....		6.0
Full-time equated classified positions .....		745.0
GROSS APPROPRIATION .....	\$	231,914,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		153,786,800
ADJUSTED GROSS APPROPRIATION .....	\$	78,127,300
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues .....		0
Total private revenues .....		0
Total other state restricted revenues .....		42,909,400
State general fund/general purpose .....	\$	35,217,900
<b>(2) MANAGEMENT AND BUDGET SERVICES</b>		
Full-time equated unclassified positions .....		5.0
Full-time equated classified positions .....		594.5
Unclassified positions—5.0 FTE positions .....		570,800
Executive operations—21.0 FTE positions .....		2,351,800
Administrative services—63.5 FTE positions .....		6,226,500
Budget and financial management—113.5 FTE positions .....		9,849,000
Office of the state employer—24.0 FTE positions .....		2,683,500
Design and construction services—40.0 FTE positions .....		5,010,100
Business support services—91.5 FTE positions .....		7,862,000
Building operation services—241.0 FTE positions .....		86,644,700
Building occupancy charges, rent, and utilities .....		4,161,700



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Human resources optimization user charges.....	\$ 29,500
Motor vehicle fleet.....	56,574,800
<b>GROSS APPROPRIATION</b> .....	<b>\$ 181,964,400</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, state aeronautics fund .....	31,500
IDG from MDOT, comprehensive transportation fund .....	59,800
IDG from MDOT, state trunkline fund.....	1,173,800
IDG from building occupancy and parking charges .....	89,468,800
IDG from department of labor and economic growth.....	100,000
IDG from motor transport fund.....	56,574,800
IDG from MDCH.....	235,000
IDG from user fees .....	5,024,900
Special revenue funds:	
Game and fish protection fund.....	211,100
Health management funds.....	1,648,100
Marine safety fund.....	21,100
Special revenue, internal service, and pension trust funds .....	8,190,600
State building authority revenue.....	560,500
State lottery fund .....	110,900
Waterways fund .....	49,600
State general fund/general purpose .....	\$ 18,503,900
<b>(3) STATEWIDE APPROPRIATIONS</b>	
Professional development fund - MPES .....	\$ 125,000
Professional development fund - AFSCME.....	100,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 225,000</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from employer contributions .....	225,000
State general fund/general purpose .....	\$ 0
<b>(4) SPECIAL PROGRAMS</b>	
Full-time equated classified positions.....	141.5
Building occupancy charges - property management services for executive/legislative building occupancy .....	1,859,500
Retirement services—127.5 FTE positions .....	15,804,900
Office of children’s ombudsman—14.0 FTE positions .....	1,334,400
<b>GROSS APPROPRIATION</b> .....	<b>\$ 18,998,800</b>
Appropriated from:	
Special revenue funds:	
Deferred compensation .....	1,505,400
Pension trust funds.....	14,299,500
State general fund/general purpose .....	\$ 3,193,900
<b>(5) STATE FAIR</b>	
Full-time equated unclassified position.....	1.0
Full-time equated classified positions.....	9.0
Unclassified positions—1.0 FTE position .....	89,200
Michigan state fair operations—9.0 FTE positions .....	5,367,800
Michigan state fair information technology .....	88,800
<b>GROSS APPROPRIATION</b> .....	<b>\$ 5,545,800</b>
Appropriated from:	
Special revenue funds:	
State exposition and fairgrounds fund.....	5,545,800
State general fund/general purpose .....	\$ 0
<b>(6) INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 25,180,100
<b>GROSS APPROPRIATION</b> .....	<b>\$ 25,180,100</b>

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Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, state aeronautics fund .....	\$ 1,100
IDG from MDOT, comprehensive transportation fund .....	2,100
IDG from MDOT, state trunkline fund .....	47,500
IDG from building occupancy and parking charges .....	655,700
IDG from user fees .....	186,800
Special revenue funds:	
Deferred compensation .....	2,600
Game and fish protection fund .....	9,800
Health management funds .....	41,700
Marine safety fund .....	900
MAIN user charges .....	4,273,900
Pension trust funds .....	2,867,000
Special revenue, internal service, and pension trust funds .....	3,554,600
State building authority revenue .....	9,700
State lottery fund .....	4,600
Waterways fund .....	2,000
State general fund/general purpose .....	\$ 13,520,100
<b>Sec. 109. DEPARTMENT OF STATE</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	1,853.8
<b>GROSS APPROPRIATION</b> .....	\$ 197,378,400
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	20,000,000
<b>ADJUSTED GROSS APPROPRIATION</b> .....	\$ 177,378,400
Federal revenues:	
Total federal revenues .....	2,943,300
Special revenue funds:	
Total local revenues .....	0
Total private revenues .....	100
Total other state restricted revenues .....	160,937,200
State general fund/general purpose .....	\$ 13,497,800
<b>(2) EXECUTIVE DIRECTION</b>	
Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	30.2
Secretary of state .....	124,900
Unclassified positions—5.0 FTE positions .....	459,200
Operations—30.2 FTE positions .....	2,575,300
<b>GROSS APPROPRIATION</b> .....	\$ 3,159,400
Appropriated from:	
Special revenue funds:	
Auto repair facilities fees .....	57,500
Driver fees .....	111,500
Expedient service fees .....	49,200
Look-up fees .....	702,800
Parking ticket court fines .....	7,800
Personal identification card fees .....	11,600
Reinstatement fees - operator licenses .....	124,700
Transportation administration collection fund .....	1,476,900
Vehicle theft prevention fees .....	33,800
State general fund/general purpose .....	\$ 583,600
<b>(3) DEPARTMENT SERVICES</b>	
Full-time equated classified positions .....	176.3
Operations—167.8 FTE positions .....	23,659,800
Assigned claims assessments—6.5 FTE positions .....	714,700

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Motorcycle safety education administration—2.0 FTE positions .....	\$ 370,000
Motorcycle safety grants .....	1,200,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 25,944,500</b>
Appropriated from:	
Federal revenues:	
Federal funds .....	54,300
Special revenue funds:	
Abandoned vehicle fees .....	650,000
Assigned claims assessments .....	714,700
Auto repair facilities fees .....	405,000
Child support clearance fees .....	33,400
Driver fees .....	834,800
Expedient service fees .....	242,200
Look-up fees .....	7,538,300
Marine safety fund .....	72,700
Motorcycle safety fund .....	1,570,100
Off-road vehicle title fees .....	7,500
Parking ticket court fines .....	51,400
Personal identification card fees .....	81,000
Reinstatement fees - operator licenses .....	523,800
Scrap tire fund .....	66,900
Snowmobile registration fee revenue .....	17,200
Transportation administration collection fund .....	12,818,100
Vehicle theft prevention fees .....	237,500
State general fund/general purpose .....	\$ 25,600
<b>(4) REGULATORY SERVICES</b>	
Full-time equated classified positions .....	241.1
Operations—241.1 FTE positions .....	21,368,700
County clerk education and training fund .....	100,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 21,468,700</b>
Appropriated from:	
Federal revenues:	
Federal funds .....	98,600
Special revenue funds:	
Auto repair facilities fees .....	4,468,000
Commercial driver training school fees .....	67,800
Driver fees .....	1,178,600
Expedient service fees .....	32,000
Look-up fees .....	4,146,400
Notary education and training fund .....	100,000
Notary fee fund .....	300,000
Parking ticket court fines .....	19,900
Personal identification card fees .....	45,900
Reinstatement fees - operator licenses .....	1,639,900
Transportation administration collection fund .....	7,633,000
Vehicle theft prevention fees .....	1,520,700
State general fund/general purpose .....	\$ 217,900
<b>(5) CUSTOMER DELIVERY SERVICES</b>	
Full-time equated classified positions .....	1,377.7
Branch operations—957.4 FTE positions .....	70,599,900
Central operations—404.1 FTE positions .....	35,084,700
Commemorative license plates—16.2 FTE positions .....	2,147,300
Specialty license plates .....	1,922,000
Olympic center plate .....	75,700
Organ donor program .....	104,100
<b>GROSS APPROPRIATION</b> .....	<b>\$ 109,933,700</b>

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Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund.....	\$ 20,000,000
Federal revenues:	
Federal funds .....	2,790,400
Special revenue funds:	
Private funds .....	100
Auto repair facilities fees.....	89,300
Child support clearance fees .....	381,500
Driver fees .....	13,212,300
Expedient service fees .....	2,760,700
Look-up fees.....	18,193,500
Marine safety fund.....	1,099,500
Michigan state police auto theft fund.....	111,900
Mobile home commission fees.....	457,500
Off-road vehicle title fees .....	117,900
Parking ticket court fines .....	1,538,600
Personal identification card fees .....	1,468,800
Reinstatement fees - operator licenses .....	1,110,300
Snowmobile registration fee revenue .....	322,100
Transportation administration collection fund.....	42,387,700
Vehicle theft prevention fees.....	202,300
State general fund/general purpose .....	\$ 3,689,300
<b>(6) ELECTION REGULATION</b>	
Full-time equated classified positions.....	28.5
Election administration and services—25.5 FTE positions.....	2,696,900
Fees to local units .....	69,800
Qualified voter file—3.0 FTE positions .....	1,833,900
GROSS APPROPRIATION .....	\$ 4,600,600
Appropriated from:	
State general fund/general purpose .....	\$ 4,600,600
<b>(7) DEPARTMENTWIDE APPROPRIATIONS</b>	
Building occupancy charges/rent.....	\$ 9,578,200
Worker's compensation .....	504,800
GROSS APPROPRIATION .....	\$ 10,083,000
Appropriated from:	
Special revenue funds:	
Auto repair facilities fees.....	142,000
Driver fees .....	436,800
Expedient service fees .....	14,400
Look-up fees.....	1,935,600
Parking ticket court fines .....	470,800
Transportation administration collection fund.....	4,400,300
State general fund/general purpose .....	\$ 2,683,100
<b>(8) INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 22,188,500
GROSS APPROPRIATION .....	\$ 22,188,500
Appropriated from:	
Special revenue funds:	
Administrative order processing fee.....	10,900
Auto repair facilities fees.....	178,200
Child support clearance fees .....	16,100
Driver fees .....	1,312,600
Expedient service fees .....	447,200
Look-up fees.....	2,701,500
Parking ticket court fines .....	82,100
Personal identification card fees .....	863,300

	For Fiscal Year Ending Sept. 30, 2006
Reinstatement fees - operator licenses .....	\$ 462,400
Transportation administration collection fund .....	14,246,700
Vehicle theft prevention fees .....	169,800
State general fund/general purpose .....	\$ 1,697,700
<b>Sec. 110. DEPARTMENT OF TREASURY</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
Full-time equated unclassified positions .....	9.0
Full-time equated classified positions .....	1,691.5
GROSS APPROPRIATION .....	\$ 1,870,988,800
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	13,456,400
ADJUSTED GROSS APPROPRIATION .....	\$ 1,857,532,400
Federal revenues:	
Total federal revenues .....	35,405,400
Special revenue funds:	
Total local revenues .....	1,025,400
Total private revenues .....	0
Total other state restricted revenues .....	1,453,816,100
State general fund/general purpose .....	\$ 367,285,500
<b>(2) EXECUTIVE DIRECTION</b>	
Full-time equated unclassified positions .....	9.0
Full-time equated classified positions .....	5.0
Unclassified positions—9.0 FTE positions .....	812,600
Office of the director—5.0 FTE positions .....	767,500
GROSS APPROPRIATION .....	\$ 1,580,100
Appropriated from:	
Special revenue funds:	
State lottery fund .....	155,400
State services fee fund .....	184,900
State general fund/general purpose .....	\$ 1,239,800
<b>(3) DEPARTMENTWIDE APPROPRIATIONS</b>	
Travel .....	\$ 1,415,900
Rent and building occupancy charges - property management services .....	5,008,000
Worker's compensation insurance premium .....	337,000
GROSS APPROPRIATION .....	\$ 6,760,900
Appropriated from:	
Special revenue funds:	
Delinquent tax collection revenue .....	3,432,700
State general fund/general purpose .....	\$ 3,328,200
<b>(4) LOCAL GOVERNMENT PROGRAMS</b>	
Full-time equated classified positions .....	91.0
Supervision of the general property tax law—68.0 FTE positions .....	10,938,000
Property tax assessor training—4.0 FTE positions .....	398,700
Local finance—19.0 FTE positions .....	2,242,300
Pari-mutuel audits .....	240,000
GROSS APPROPRIATION .....	\$ 13,819,000
Appropriated from:	
Special revenue funds:	
Local - assessor training fees .....	398,700
Local - audit charges .....	536,700
Local - equalization study charge-backs .....	40,000
Local - revenue from local government .....	50,000
Land reutilization fund .....	6,814,000
Municipal finance fees .....	435,400
State education tax collections .....	50,000
State services fee fund .....	240,000
State general fund/general purpose .....	\$ 5,254,200

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**(5) TAX PROGRAMS**

Full-time equated classified positions .....	776.0	
Customer contact—186.0 FTE positions .....		\$ 13,725,100
Tax compliance—339.0 FTE positions .....		29,494,900
Tax policy—37.0 FTE positions .....		4,112,300
Revenue enhancement program—60.0 FTE positions .....		6,590,000
Tax processing—150.0 FTE positions .....		14,842,700
Home heating assistance .....		2,036,800
Bottle bill implementation .....		250,000
New hire reporting .....		1,545,000
Tobacco tax collection—4.0 FTE positions .....		316,600
<b>GROSS APPROPRIATION</b> .....		<b>\$ 72,913,400</b>
Appropriated from:		
Interdepartmental grant revenues:		
IDG, data/collection services fees .....		250,900
IDG from MDHS .....		1,545,000
IDG from MDOT, Michigan transportation fund .....		8,028,300
IDG from MDOT, state aeronautics fund .....		62,500
Federal revenues:		
HHS-SSA, low-income energy assistance .....		2,036,800
Special revenue funds:		
Bottle deposit fund .....		250,000
Delinquent tax collection revenue .....		49,011,300
Tobacco tax collection and enforcement .....		316,600
Tobacco tax revenue .....		360,500
Waterways fund .....		75,900
State general fund/general purpose .....		<b>\$ 10,975,600</b>

**(6) BANKING AND MANAGEMENT SERVICES**

Full-time equated classified positions .....	329.5	
Human resources, program management, purchasing—31.0 FTE positions .....		3,100,100
Mail operations—20.0 FTE positions .....		1,981,200
Economic and revenue forecasting—15.5 FTE positions .....		1,352,500
Unclaimed property—21.0 FTE positions .....		3,383,600
Human resources optimization user charges .....		44,300
Collections—170.0 FTE positions .....		16,093,300
Finance and accounting—32.0 FTE positions .....		1,619,800
Receipts processing—40.0 FTE positions .....		2,716,900
<b>GROSS APPROPRIATION</b> .....		<b>\$ 30,291,700</b>
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDHS, title IV-D .....		580,000
IDG, levy/warrant cost assessment fees .....		1,848,800
IDG, state agency collection fees .....		545,800
Special revenue funds:		
Delinquent tax collection revenue .....		14,383,600
Escheats revenue .....		3,383,600
Garnishment fees .....		490,300
Justice system fund .....		581,600
Treasury fees .....		177,500
State general fund/general purpose .....		<b>\$ 8,300,500</b>

**(7) FINANCIAL PROGRAMS**

Full-time equated classified positions .....	211.0	
Investments—75.0 FTE positions .....		13,660,500
Michigan merit award administration—6.0 FTE positions .....		1,636,800
Michigan education savings program .....		1,000,000
Common cash and debt management—11.5 FTE positions .....		1,059,000
Student financial assistance programs—118.5 FTE positions .....		34,863,100
<b>GROSS APPROPRIATION</b> .....		<b>\$ 52,219,400</b>

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Appropriated from:	
Interdepartmental grant revenues:	
IDG, fiscal agent service fees .....	\$ 167,700
Federal revenues:	
DED-OPSE, federal lenders allowance .....	10,124,000
DED-OPSE, higher education act of 1965, insured loans.....	22,711,700
Special revenue funds:	
College work study .....	46,300
Michigan merit award trust fund .....	3,036,500
Retirement funds.....	12,496,300
School bond fees.....	468,000
Treasury fees.....	1,311,200
State general fund/general purpose .....	\$ 1,857,700
<b>(8) DEBT SERVICE</b>	
Water pollution control bond and interest redemption.....	\$ 2,592,400
Quality of life bond .....	63,500,000
Clean Michigan initiative .....	22,909,000
GROSS APPROPRIATION .....	\$ 89,001,400
Appropriated from:	
Special revenue funds:	
Cleanup and redevelopment funds.....	12,200,000
Refined petroleum fund .....	23,914,500
State general fund/general purpose .....	52,886,900
<b>(9) GRANTS</b>	
Grants to counties in lieu of taxes.....	\$ 10,000
Convention facility development distribution.....	58,850,000
Senior citizen cooperative housing tax exemption program.....	17,900,000
Commercial mobile radio service payments.....	31,320,000
Health and safety fund grants .....	25,000,000
Qualified agricultural loan payments .....	2,210,000
Renaissance zone reimbursement .....	2,268,000
GROSS APPROPRIATION .....	\$ 137,558,000
Appropriated from:	
Special revenue funds:	
Commercial mobile radio service fees .....	31,320,000
Convention facility development fund.....	58,850,000
Health and safety fund .....	25,000,000
State general fund/general purpose .....	\$ 22,388,000
<b>(10) STATE LOTTERY</b>	
Full-time equated classified positions .....	173.0
Lottery operations—173.0 FTE positions.....	18,777,500
Human resources optimization user charges.....	29,500
Promotion and advertising .....	18,622,000
Lottery information technology services and projects .....	4,397,000
GROSS APPROPRIATION .....	41,826,000
Appropriated from:	
Special revenue funds:	
State lottery fund .....	41,826,000
State general fund/general purpose .....	\$ 0
<b>(11) CASINO GAMING</b>	
Full-time equated classified positions .....	106.0
Michigan gaming control board .....	50,000
Casino gaming control administration—106.0 FTE positions .....	18,118,600
Human resources optimization user charges.....	14,800
Casino gaming information technology services and projects .....	1,143,500
GROSS APPROPRIATION .....	\$ 19,326,900

For Fiscal Year  
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Appropriated from:	
Casino gambling agreements.....	\$ 383,500
State services fee fund .....	18,943,400
State general fund/general purpose .....	\$ 0
<b>(12) REVENUE SHARING</b>	
Constitutional state general revenue sharing grants.....	\$ 692,550,000
Statutory state general revenue sharing grants .....	423,350,000
Special census revenue sharing payments .....	500,000
Special grants.....	212,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 1,116,612,000</b>
Appropriated from:	
Sales tax .....	1,115,900,000
State general fund/general purpose .....	\$ 712,000
<b>(13) INFORMATION TECHNOLOGY</b>	
Treasury operations information technology services and projects.....	\$ 16,282,900
<b>GROSS APPROPRIATION</b> .....	<b>\$ 16,282,900</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund.....	427,400
Federal revenues:	
DED-OPSE, higher education act of 1965, insured loans.....	532,900
Special revenue funds:	
Delinquent tax collection revenue .....	9,926,700
Land reutilization fund.....	20,000
Michigan merit award trust fund .....	400,400
Retirement funds.....	635,000
State general fund/general purpose .....	\$ 4,340,500
<b>(14) STATE BUILDING AUTHORITY RENT</b>	
State building authority rent - state agencies .....	\$ 63,555,500
State building authority rent - department of corrections .....	70,555,900
State building authority rent - universities .....	122,148,600
State building authority rent - community colleges.....	16,537,100
<b>GROSS APPROPRIATION</b> .....	<b>\$ 272,797,100</b>
Appropriated from:	
Special revenue funds:	
Commercial mobile radio suppliers fund .....	15,000,000
Roosevelt parking facility reimbursement .....	275,000
State lottery fund .....	1,520,000
State general fund/general purpose .....	\$ 256,002,100

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2005-2006 is \$2,284,332,700.00 and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is \$1,236,855,300.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF STATE

Fees to local units.....	\$ 69,800
Motorcycle safety education grants.....	924,000
Subtotal.....	\$ 993,800

DEPARTMENT OF TREASURY

Senior citizen cooperative housing tax exemption.....	\$ 17,900,000
Grants to counties in lieu of taxes.....	10,000
Health and safety fund grants .....	25,000,000
Constitutional state general revenue sharing grants.....	692,550,000
Statutory state general revenue sharing grants .....	423,350,000
Convention facility development fund distribution.....	58,850,000



Commercial mobile radio service payments.....	15,221,500
Renaissance zone reimbursements.....	2,268,000
Special grants.....	212,000
Special census revenue sharing payments .....	500,000
Subtotal.....	\$ 1,235,861,500
TOTAL GENERAL GOVERNMENT.....	\$ 1,236,855,300

(2) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 is estimated at \$27,195,968,300.00 in the 2005-2006 appropriations acts and total state spending from state sources paid to local units of government for fiscal year 2005-2006 is estimated at \$15,706,115,100.00. The state-local proportion is estimated at 57.75% of total state spending from state resources.

(3) If payments to local units of government and state spending from state sources for fiscal year 2005-2006 are different than the amounts estimated in subsection (2), the state budget director shall report the payments to local units of government and state spending from state sources that were made for fiscal year 2005-2006 to the senate and house of representatives standing committees on appropriations within 30 days after the final book-closing for fiscal year 2005-2006.

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) "AFSCME" means American federation of state, county, and municipal employees.
- (b) "COBRA" means the consolidated omnibus budget reconciliation act of 1985, Public Law 99-272, 100 Stat. 82.
- (c) "CPI" means consumer price index.
- (d) "DAG" means the United States department of agriculture.
- (e) "DED-OPSE" means the United States department of education, office of postsecondary education.
- (f) "DOL-ETA" means the United States department of labor, employment and training administration.
- (g) "DOL-OSHA" means the United States department of labor, occupational safety and health administration.
- (h) "EEOC" means the United States equal employment opportunity commission.
- (i) "EPA" means the United States environmental protection agency.
- (j) "FTE" means full-time equated.
- (k) "GF/GP" means general fund/general purpose.
- (l) "HHS" means the United States department of health and human services.
- (m) "HHS-OS" means the HHS office of the secretary.
- (n) "HHS-SSA" means the HHS social security administration.
- (o) "HUD" means the United States department of housing and urban development.
- (p) "IDG" means interdepartmental grant.
- (q) "MAIN" means the Michigan administrative information network.
- (r) "MCL" means the Michigan Compiled Laws.
- (s) "MDCH" means the Michigan department of community health.
- (t) "MDCS" means the Michigan department of civil service.
- (u) "MDHS" means the Michigan department of human services.
- (v) "MDLEG" means the Michigan department of labor and economic growth.
- (w) "MDMB" means the Michigan department of management and budget.
- (x) "MDOT" means the Michigan department of transportation.
- (y) "MDSP" means the Michigan department of state police.
- (z) "MPES" means the Michigan professional employees society.
- (aa) "PA" means public act.
- (bb) "PACC" means the prosecuting attorneys coordinating council.

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

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

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

senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

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

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

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

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

	2004	2005
Michigan personal income (millions).....	\$322,636	\$337,477
less: transfer payments.....	49,101	51,949
Subtotal .....	<u>273,535</u>	<u>285,528</u>
Divided by: Detroit CPI for 12 months ending June 30.....	1.837	1.878
Equals: Real adjusted Michigan personal income .....	\$148,903	\$152,038
Percentage change .....		2.1%
Percentage change in excess of 2% .....		0.1%
Multiplied by: estimated GF/GP revenue in FY 2004-2005 (millions)..		7,994.0
Equals: countercyclical budget and economic stabilization fund calculation for the fiscal year ending September 30, 2006 .....		\$8.0

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

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

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

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

Sec. 216. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2006 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

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

the senate and house of representatives standing committees on appropriations, the fiscal agencies, and the state budget director. The report shall include the following information:

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

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

Sec. 219. The department of management and budget shall reduce statewide contractual general fund expenditures by \$30,000,000.00. The state budget director is authorized to take any actions necessary to properly record expenditure reductions as part of the financial transactions for the fiscal year ending September 30, 2006. Within 30 days of final book-closing for FY 2005-2006, the state budget director shall provide a report to the senate and house of representatives standing committees on appropriations and the house and senate fiscal agencies itemizing the sources of reductions under this section.

Sec. 220. Funds appropriated in this act shall not be used to administer a committee or to solicit or obtain contributions for a committee. As used in this section, "committee" means that term as defined in section 3 of the Michigan campaign finance act, 1976 PA 388, MCL 169.203.

#### **DEPARTMENT OF ATTORNEY GENERAL**

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

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

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

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

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

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

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

Sec. 307. Any unobligated antitrust enforcement revenue, securities fraud revenue, consumer protection or class action enforcement revenues, or attorney fees recovered by the department of attorney general, not to exceed \$1,000,000.00, may be carried forward and are available for appropriation to the department of attorney general in the succeeding fiscal year.

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

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

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

Sec. 309. From the prisoner reimbursement funds appropriated in part 1, the department may spend up to \$421,800.00 on activities related to the state correctional facilities reimbursement act, 1935 PA 253, MCL 800.401 to 800.406. In addition to the funds appropriated in part 1, if the department collects in excess of \$1,131,000.00 in gross annual prisoner reimbursement receipts provided to the general fund, the excess, up to a maximum of \$1,000,000.00, is appropriated to the department of attorney general and may be spent on the representation of the department of corrections and its officers, employees, and agents, including, but not limited to, the defense of litigation against the state, its departments, officers, employees, or agents in civil actions filed by prisoners. Any unexpended funds at the end of the fiscal year are carried forward for expenditure in the following fiscal year up to the maximum authorization of \$500,000.00.

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

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

#### **DEPARTMENT OF CIVIL RIGHTS**

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

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

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

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

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

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

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

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

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

#### **DEPARTMENT OF CIVIL SERVICE**

Sec. 502. (1) All restricted funds shall be assessed a sum not less than 1% of the total aggregate payroll paid from those funds for financing the department of civil service on the basis of actual 1% restricted sources total aggregate payroll of the classified service for fiscal year 2005 in accordance with section 5 of article XI of the state constitution of 1963. This includes, but is not limited to, restricted funds appropriated in part 1 of any appropriations act. Unexpended 1% appropriated funds shall be returned to each 1% fund source at the end of the fiscal year.

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

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

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

Sec. 504. The appropriation in part 1 to the department of civil service, for state-sponsored group insurance, flexible spending accounts, and COBRA, represents amounts, in part, included within the various appropriations throughout state government for the current fiscal year to fund the flexible spending account program included within the department of civil service. Deposits against state-sponsored group insurance, flexible spending accounts, and COBRA for the flexible spending account program shall be made from assessments levied during the current fiscal year in a

manner prescribed by the department of civil service. Unspent employee contributions to the flexible spending accounts may be used to offset administrative costs for the flexible spending account program, with any remaining balance of unspent employee contributions to be lapsed to the general fund.

#### **INFORMATION TECHNOLOGY**

Sec. 573. (1) The department of information technology may sell and accept paid advertising for placement on any state website under its jurisdiction. The department shall review and approve the content of each advertisement. The department may refuse to accept advertising from any person or organization or require modification to advertisements based upon criteria determined by the department. Revenue received under this subsection will be used for operating costs of the department and for future technology enhancements to state of Michigan e-government initiatives. Funds received under this subsection shall be limited to \$250,000.00. Any funds in excess of \$250,000.00 shall be deposited in the state general fund.

(2) Funds accepted by the department of information technology under subsection (1) are appropriated and allotted when received and may be expended upon receipt.

(3) The privacy policy adopted by the department of information technology shall include the following provisions:

(a) Instruction on how visitors can set their browsers to be warned before each cookie is written to a visitor's computer.

(b) The e-Michigan office will also include instructions for visitors to inform them how to view and remove cookies on their personal computers.

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

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

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

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

(a) Application development and maintenance.

(b) Desktop computer support and management.

(c) Mainframe computer support and management.

(d) Server support and management.

(e) Local area network support and management.

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

(g) Information technology planning and budget management.

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

(i) Software and software licensing.

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

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

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

(4) The department of information technology shall provide a report to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director on April 15 and on October 15, indicating the amount of revenue collected under this section and expended for support and maintenance of the Michigan public safety communications system for the immediately preceding 6-month period.

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

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

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

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

Sec. 580. (1) From the funds appropriated in part 1 to general services, for the department of state, there is appropriated \$3,450,000.00 for the business application modernization project. Funds shall only be used for the development, implementation, and maintenance of the business application modernization project.

(2) The unexpended funds appropriated in part 1 for the business application modernization project are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered or unallotted funds are carried over into the succeeding fiscal year and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$30,000,000.00, and the tentative completion date is September 30, 2008.

Sec. 584. The department of information technology shall coordinate a study with the department of human services, the department of community health, the department of labor and economic growth, the department of education, and the department of state police identifying all information and referral services for state government, including, but not limited to, 1-800 help lines. The report will summarize the purpose, scope, and cost of each service and identify potential cost savings to the state of Michigan through the shared use of 2-1-1. The 2-1-1 number is the 3-digit dialing code designated by the federal communications system for health and human service information and referral. The report shall be delivered to the senate and house appropriations subcommittees on general government by no later than April 7, 2006.

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

### **LEGISLATURE**

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

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

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

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

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

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

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

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

Sec. 606. The appropriations in part 1 to the legislative branch, for property management, shall be used to purchase equipment and services for building maintenance in order to ensure a safe and productive work environment. These funds, along with funds previously appropriated for property management, are designated as work project appropriations and shall not lapse at the end of the fiscal year, and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$500,000.00, and the tentative completion date is September 30, 2007.

Sec. 607. The appropriations in part 1 to the legislative branch, for automated data processing, shall be used to purchase equipment, software, and services in order to support and implement data processing requirements and technology improvements. These funds, along with funds previously appropriated for automated data processing, are designated as work project appropriations and shall not lapse at the end of the fiscal year, and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$500,000.00, and the tentative completion date is September 30, 2007.

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

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

Sec. 611. Pursuant to section 53 of article IV of the state constitution of 1963, the auditor general shall conduct audits of the judicial branch. The audits may include the supreme court and its administrative units, the court of appeals, and trial courts.

Sec. 612. (1) The auditor general shall take all reasonable steps to ensure that certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities participate in the audits of the books, accounts, and financial affairs of each principal executive department, branch, institution, agency, and office of this state.

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

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

Sec. 613. From the funds appropriated in part 1 to the legislative auditor general, the legislative auditor general's salary and the salaries of the remaining 2.0 FTE unclassified positions shall be set by the speaker of the house of representatives, the senate majority leader, the house of representatives minority leader, and the senate minority leader.

Sec. 614. Any audits, reviews, or investigations requested of the auditor general by the legislature or by legislative leadership, legislative committees, or individual legislators shall include an estimate of the additional costs involved and, when those costs exceed \$50,000.00, should provide supplemental funding. The auditor general shall determine whether to perform those activities in keeping with Audit Directive No. 29, which describes the office of auditor general policy on responding to legislative requests.

Sec. 615. From the funds appropriated in part 1 to the legislative auditor general from the department of corrections, it is the intent of the legislature that the legislative auditor general contract with Standard and Poors for an evaluation and comparison of each correctional facility, including, but not limited to, its physical plant, staffing, programming, security levels, and costs.

#### **DEPARTMENT OF MANAGEMENT AND BUDGET**

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

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

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

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

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

Sec. 705. (1) The source of financing in part 1 for statewide appropriations shall be funded by assessments against longevity and insurance appropriations throughout state government in a manner prescribed by the department of

management and budget. Funds shall be used as specified in joint labor/management agreements or through the coordinated compensation hearings process. Any deposits made under this subsection and any unencumbered funds are restricted revenues, may be carried over into the succeeding fiscal years, and are appropriated.

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

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

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

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

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

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

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

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

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

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

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

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



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

(4) It is the intent of the legislature that the department will determine the feasibility of using driver record information upon the issuance of state cars to state employees in order to ensure responsibility and safety.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **DEPARTMENT OF STATE**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 807. From the funds appropriated in part 1, the department of state shall use available balances at the end of the state fiscal year to provide payment to the department of state police in the amount of \$315,900.00 for the services provided by the traffic accident records program as first appropriated in 1990 PA 196 and 1990 PA 208.

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

Sec. 809. (1) Commemorative and specialty license plate fee revenue collected by the department of state and deposited into the transportation administration collection fund is authorized for expenditure up to the amount of revenue collected but not to exceed the amount appropriated to the department of state in part 1 to administer commemorative and specialty license plate programs.

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

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

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

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

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

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

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

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

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

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

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

(2) Prior to October 4, 2005, the department of state shall provide a report to the senate and house of representatives standing committees on appropriations subcommittees on general government regarding the department's branch optimization plan that was announced on April 26, 2004. The report shall include a listing of all closed offices detailing savings by office, including lease, utilities, and all other savings associated with the closed office. The department shall provide the same level of detail regarding costs for new leased facilities and expansions of current leased space.

Sec. 815a. The department shall develop a project plan which includes new strategies for increasing the number of transactions completed on-line by Michigan residents. Copies of the strategic plan shall be submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1.

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

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

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

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

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

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

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

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

Sec. 819. (1) From the funds appropriated in part 1 to the department of state for information technology services and projects, there is appropriated \$3,450,000.00 for the business application modernization project. Funds shall only be used for the development, implementation, and maintenance of the business application modernization project.

(2) The unexpended funds appropriated in part 1 for the business application modernization project are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered or unallotted funds are carried over into the succeeding fiscal year and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$30,000,000.00, and the tentative completion date is September 30, 2008.

Sec. 820. The department of state shall explore the feasibility of locating the Keweenaw County secretary of state branch office with the Keweenaw County department of human services office.

#### **DEPARTMENT OF TREASURY OPERATIONS**

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

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

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

fund or account to which the revenues being collected are recorded or dedicated. However, if the taxes collected are constitutionally dedicated for a specific purpose, the appropriation of collection costs and fees are from the general purpose account of the general fund.

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

(3) The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the state budget director and the senate and house of representatives standing committees on appropriations not later than November 30 stating the agencies or law firms employed, the amount of collections for each, the costs of collection, and other pertinent information relating to determining whether this authority should be continued.

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 912. A plaintiff in a garnishment action involving this state shall pay to the state treasurer 1 of the following:

(a) A fee of \$6.00 at the time a writ of garnishment of periodic payments is served upon the state treasurer, as provided in section 4012 of the revised judicature act of 1961, 1961 PA 236, MCL 600.4012.

(b) A fee of \$6.00 at the time any other writ of garnishment is served upon the state treasurer, except that the fee shall be reduced to \$5.00 for each writ of garnishment for individual income tax refunds or credits filed by magnetic media.

Sec. 913. (1) The department of treasury may contract with private firms to appraise and, if necessary, appeal the assessments of senior citizen cooperative housing units. Payment for this service shall be from savings resulting from the appraisal or appeal process.

(2) Of the funds appropriated in part 1 to the department of treasury for the senior citizens' cooperative housing tax exemption program, a portion is to be utilized for a program audit of the program. The department of treasury shall forward copies of the audit report to the senate and house of representatives standing committees on appropriations subcommittees on general government and to the state budget office. The department of treasury may utilize up to 1% of the funds for program administration and auditing.

Sec. 914. The department of treasury may provide a \$200.00 annual prize from the Ehlers internship award account in the gifts, bequests, and deposit fund to the runner-up of the Rosenthal prize for interns. The Ehlers internship award account is interest bearing.

Sec. 915. Pursuant to section 61 of the Michigan campaign finance act, 1976 PA 388, MCL 169.261, there is appropriated from the general fund to the state campaign fund an amount equal to the amounts designated for tax year 2005. Except as otherwise provided in this section, the amount appropriated shall not revert to the general fund and shall remain in the state campaign fund. Any amounts remaining in the state campaign fund in excess of \$10,000,000.00 on December 31, 2006 shall revert to the general fund.

Sec. 916. The department of treasury may make available to interested entities otherwise unavailable customized unclaimed property listings of nonconfidential information in its possession. The charge for this information is as follows: 1 to 100,000 records at 2.5 cents per record and 100,001 or more records at .5 cents per record. The revenue received from this service shall be deposited to the appropriate revenue account or fund. The department shall submit an annual report on or before June 1 to the state budget director and the senate and house of representatives standing committees on appropriations that states the amount of revenue received from the sale of information.

Sec. 917. (1) There is appropriated for write-offs and advances an amount equal to total write-offs and advances for departmental programs, but not to exceed current year authorizations that would otherwise lapse to the general fund.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than November 30, stating the amounts appropriated for write-offs and advances under subsection (1).

Sec. 918. In addition to funds appropriated in part 1, the department of treasury may receive and expend funds for conducting tax orientation workshops and seminars. Funds received may not exceed costs incurred in conducting the workshops and seminars.

Sec. 919. (1) From funds appropriated in part 1, the department of treasury may contract with private auditing firms to audit for and collect unclaimed property due this state in accordance with the Michigan uniform unclaimed property act. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund auditing and collection costs and fees not to exceed 12% of the collections, or a lesser amount as prescribed by the contract. The appropriation to fund collection costs and fees for the auditing and collection of unclaimed property due this state is from the fund or account to which the revenues being collected are recorded or dedicated.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the state budget director and the senate and house of representatives standing committees on appropriations not later than November 30 stating the auditing firms employed, the amount of collections for each, the costs of collection, and other pertinent information relating to determining whether this authority should be continued.

Sec. 920. Payments from the appropriation in part 1 to the department of treasury for grants to counties in lieu of taxes for lands transferred to the federal government include a payment for Sleeping Bear Dunes national lakeshore under 1974 PA 359, MCL 3.901 to 3.910.

Sec. 921. The state general fund/general purpose appropriation in part 1 for renaissance zone reimbursement is allocated to reimburse public libraries as provided by section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for property taxes levied in 2004. Reimbursements shall be made in amounts to each eligible recipient not later than 60 days after the department of treasury certifies to the department that it has received all necessary information to properly determine the amounts due each eligible recipient under section 12(4) of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692. Any excess allocations shall lapse to the general fund.

Sec. 922. The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director by November 30 stating the amount of Michigan transportation fund revenue collected and the cost of collection.

Sec. 924. (1) In addition to the funds appropriated in part 1, the department of treasury may receive and expend principal residence audit fund revenue for administration of principal residence audits under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than December 31, stating the amount of revenue appropriated for principal residence audits under subsection (1).

Sec. 928. The department of treasury may provide receipt, warrant and cash processing, data, collection, investment, fiscal agent, levy and warrant cost assessment, writ of garnishment, and other user services on a contractual basis for other principal executive departments and state agencies. Funds for the services provided are appropriated and shall be expended for salaries and wages, fees, supplies, and equipment necessary to provide the services. Any unobligated balance of the funds received shall revert to the general fund of this state as of September 30.

Sec. 929. The department of treasury may enter into agreements to supply data or collection services to other executive principal departments or state agencies, the United States department of treasury, or local units of government within this state. The department of treasury shall charge for this tax data service and amounts received are appropriated and shall be expended for salaries and wages, fees, supplies, and equipment necessary to provide the service. Any unobligated balance of the fund shall revert to the general fund of this state as of September 30.

Sec. 930. (1) The department of treasury shall provide accounts receivable collections services to other principal executive departments and state agencies under 1927 PA 375, MCL 14.131 to 14.134. The department of treasury shall deduct a fee equal to the cost of collections from all receipts except unrestricted general fund collections. Fees shall be credited to a restricted revenue account and appropriated to the department of treasury to pay for the cost of collections. The department of treasury shall maintain accounting records in sufficient detail to enable the respective accounts to be reimbursed periodically for fees deducted that are determined by the department of treasury to be surplus to the actual cost of collections.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than November 30, stating the principal executive departments and state agencies served, funds collected, and costs of collection under subsection (1).

Sec. 931. (1) The appropriation in part 1 to the department of treasury for treasury fees shall be assessed against all restricted funds that receive common cash earnings. Treasury fees include all costs, including administrative overhead, relating to the investment of each restricted fund. The fee assessed against each restricted fund will be based on the size of the restricted fund (the absolute value of the average daily cash balance plus the market value of investments in the prior fiscal year) and the level of effort necessary to maintain the restricted fund as required by each department. The department of treasury shall provide a report to the state budget director, the senate and house of representatives standing committees on appropriations subcommittees on general government, and the senate and house fiscal agencies by November 30 of each year identifying the fees assessed against each restricted fund.

(2) In addition to the funds appropriated in part 1, the department of treasury may receive and expend investment fees relating to new restricted funding sources that participate in common cash earnings during the current fiscal year. When a new restricted fund is created starting on or after October 1, that restricted fund shall be assessed a fee using the same criteria identified in subsection (1).

Sec. 932. Revenue received under the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1442, may be expended by the board of directors of the Michigan education trust for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 933. (1) The \$1,000,000.00 appropriated in part 1 for the Michigan education savings program is from the Michigan merit award trust fund to fund an incentive program for the Michigan education savings program created under the Michigan education savings program act, 2000 PA 161, MCL 390.1471 to 390.1486.

(2) The funds appropriated for the Michigan education savings program shall be used to provide a state match to dollars invested on behalf of each child named as a designated beneficiary in the Michigan education savings program who is 6 years of age or less, who is a Michigan resident, and whose family's income is \$80,000.00 or less.

(3) During the current fiscal year, the state shall provide \$1.00 of matching funds for each \$3.00 of individual contributions to the educational savings accounts. The maximum state match for each designated beneficiary shall be \$200.00.

(4) The state match shall be available only in the first year the child is enrolled in the Michigan education savings program.

Sec. 934. The department of treasury may expend revenues received under the hospital finance authority act, 1969 PA 38, MCL 331.31 to 331.84, for necessary salaries, wages, supplies, contractual services, equipment, worker's

compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund. The department of treasury shall maintain accounting records in sufficient detail to enable the hospital clients to be reimbursed periodically for fees that are determined by the department of treasury to be surplus to needs.

Sec. 935. The department of treasury may expend revenue received under the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1076, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 936. The department of treasury shall establish a separate account for the funds related to the Michigan higher education facilities authority. The department of treasury may expend revenue received under the higher education facilities authority act, 1969 PA 295, MCL 390.921 to 390.934, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund. The department of treasury shall maintain accounting records in sufficient detail to enable the educational institution clients to be reimbursed periodically for fees that are determined by the department to be surplus to needs.

Sec. 937. The department of treasury may expend revenues received under the Michigan public educational facilities authority, Executive Order No. 2002-3, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 939. It is the intent of the legislature that the state treasurer, acting within his or her capacity as the investment fiduciary for public employee pension funds and consistent with 1965 PA 314, MCL 38.1132 to 38.1140m, give appropriate consideration to investments in early stage, university derived life science companies located in Michigan, or investments in venture capital funds that invest in those companies to the extent those investments offer the safety and rate of return comparable to other investments permitted and available at the time the investment decision is made.

Sec. 941. In addition to the funds appropriated in part 1, there is appropriated up to \$570,000.00 from standardized audit schedules recovered delinquent tax collection revenues for the support of standardized audit schedule project expenses. The funding shall be used to exclusively support business tax audits related to sales tax, use tax, withholding, single business tax, and motor fuel tax obligations. Any unexpended funds at the end of the fiscal year shall lapse to the general fund.

Sec. 943. The department of treasury shall not include complete social security numbers in form 1099-G mailings to taxpayers.

Sec. 944. The department of treasury shall develop a pilot application for an on-line credit only preparation and filing system for homestead property and home heating credit filers. The system shall be available for the 2005 tax year and shall be provided at no cost to the individuals who use the system to prepare and file these credits.

Sec. 945. The assessment and certification division of the department of treasury may conduct a review of local unit assessment administration practices, procedures, and records, also known as the 14-point review, in at least 1 assessment jurisdiction per county.

Sec. 946. Members of the state tax commission and management level staff of the assessment and certification division may meet with statewide assessment organizations on a quarterly basis for the purpose of coordinating assessment and training activities. Recertification and training activities may be conducted at regional locations chosen to maximize participation of local officials.

Sec. 947. (1) Of the additional \$6,590,000.00 included in part 1 for the revenue enhancement program, \$5,840,000.00 shall be used for revenue collection enhancement activities including auditing functions. With the exception of current contract obligations under which contractors are performing audits under the supervision of the department of treasury, the \$5,840,000.00 shall only be used to hire state classified civil service positions and may not be used to contract out services.

(2) The department of treasury shall submit quarterly progress reports related to personal property tax audits funded under subsection (1). The report shall include the number of audits, revenue generated, and number of complaints received by the department related to the audits. The senate and house appropriations subcommittees on general government shall hold a joint public hearing 6 months after the beginning of the fiscal year regarding complaints and progress related to personal property tax audits conducted under this program.

(3) The \$750,000.00 balance of the \$6,590,000.00 shall be used for the principal residence exemption compliance program. By November 1, 2005, the department of treasury shall submit a detailed spending plan regarding expenditure of the \$750,000.00. The plan shall include improvements to the current program administered by the department pursuant to 2003 PA 105, and projected collections related to program improvements. The department shall also submit quarterly progress reports that detail the number of audits, number of exemptions denied, and the distribution of revenue received. The legislative auditor general shall complete a performance audit of the principal residence exemption compliance program prior to April 1, 2006. Revenue generated to the state from principal residence audits conducted under the principal residence exemption compliance program shall be used to reimburse the state general fund for the \$750,000.00 appropriation prior to any other allocation.

Sec. 948. The department shall develop a strategic plan which provides for the electronic filing of all tax returns, including, but not limited to, state income tax and single business tax returns, free of charge. The strategic plan shall



include the date on which free electronic filing will be made available for tax filers. Copies of the strategic plan shall be submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1.

#### **REVENUE SHARING**

Sec. 950. (1) Revenue collected in accordance with section 10 of article IX of the state constitution of 1963 in excess of the amount appropriated in part 1 for constitutional revenue sharing is appropriated for distribution to townships, cities, and villages on a population basis as specified by law. The appropriation in part 1 for statutory state general revenue sharing grants to townships, cities, and villages shall be reduced by an amount equal to any additional constitutional revenue sharing appropriations authorized in this section.

(2) The appropriation in part 1 for statutory state general revenue sharing grants shall be distributed according to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921. Undistributed funds shall lapse to the general fund.

Sec. 952. The appropriation in part 1 for special grants to cities shall be used to restore revenue sharing reductions contained in Executive Order No. 2003-23 to a city that had an emergency financial manager appointed pursuant to the local government fiscal responsibility act, 1990 PA 72, MCL 141.1201 to 141.1291, continuously from December 10, 2003 through September 30, 2006.

Sec. 955. (1) There is appropriated to each county an amount equal to the amount distributed to each county for the fiscal year ending September 30, 2004, pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, adjusted by the inflation rate as defined in section 34d of the general property tax act, 1893 PA 206, MCL 211.34d, and reduced by the amount each county is authorized to annually expend in that county's fiscal year beginning after September 30, 2004, from its revenue sharing reserve fund pursuant to section 44a of the general property tax act, 1893 PA 206, MCL 211.44a.

(2) The department of treasury shall annually certify to the state budget director the amount each county is authorized to expend from its revenue sharing reserve fund.

Sec. 956. The department of treasury shall transmit special census revenue sharing payments to eligible cities, villages, and townships under the Glenn Steil revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921.

#### **LOTTERY**

Sec. 960. In addition to the funds appropriated in part 1 to the bureau of state lottery, there is appropriated from lottery revenues the amount necessary for, and directly related to, implementing and operating lottery games. Appropriations under this section shall only be expended for contractually mandated payments for vendor commissions, contractually mandated payments for instant tickets intended for resale, the contractual costs of providing and maintaining the on-line system communications network, and incentive and bonus payments to lottery retailers.

Sec. 961. The funds appropriated in part 1 to the bureau of state lottery shall not be used for any promotional efforts directed towards individuals who are less than 18 years of age.

Sec. 962. (1) The funds appropriated in part 1 to the bureau of state lottery shall not be used to directly or indirectly associate professional or amateur sports figures with the lottery or its products.

(2) The prohibition in subsection (1) does not apply to the use of NASCAR drivers in conjunction with the promotion of instant ticket products. By November 1, 2005, the bureau of state lottery shall provide a report detailing the amount of revenue generated under this subsection to the senate and house of representatives standing committees on appropriations subcommittees on general government. The report shall include the cost of obtaining the use of NASCAR drivers, other administrative costs, and net revenue deposited in the state school aid fund.

Sec. 963. The bureau of state lottery shall inform all lottery retailers that the cash side of department of human services bridge cards cannot be used to purchase lottery tickets.

#### **CASINO GAMING**

Sec. 971. From the revenue collected by the Michigan gaming control board regarding the total annual assessment of each casino licensee, \$2,000,000.00 is appropriated and shall be deposited in the compulsive gaming prevention fund as described in section 12a(5) of the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.212a.

Sec. 972. In addition to the funds appropriated in part 1, funds distributed by the Michigan gaming control board to the department of treasury for oversight of casino gaming are appropriated upon receipt. These funds may be used to pay for costs incurred for casino gaming oversight activities.

Sec. 973. (1) Funds appropriated in part 1 for local government programs may be used to provide assistance to a local revenue sharing board referenced in an agreement authorized by the Indian gaming regulatory act, Public Law 100-497, 102 Stat. 2467.

(2) A local revenue sharing board described in subsection (1) shall comply with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(3) A county treasurer is authorized to receive and administer funds received for and on behalf of a local revenue sharing board. Funds appropriated in part 1 for local government programs may be used to audit local revenue sharing board funds held by a county treasurer. This section does not limit the ability of local units of government to enter into

agreements with federally recognized Indian tribes to provide financial assistance to local units of government or to jointly provide public services.

(4) The director of the department of state police and the executive director of the Michigan gaming control board are authorized to assist the local revenue sharing boards in determining allocations to be made to local public safety organizations.

(5) The department of treasury shall submit a report by September 30 to the senate and house of representatives standing committees on appropriations and the state budget director on the receipts and distribution of revenues by local revenue sharing boards.

Sec. 974. If revenues collected in the state services fee fund are less than the amounts appropriated from the fund, available revenues shall be used to fully fund the appropriation in part 1 of this act for casino gaming regulation activities before distributions are made to other state departments and agencies. If the remaining revenue in the fund is insufficient to fully fund appropriations to other state departments or agencies, the shortfall shall be distributed proportionally among those departments and agencies.

#### **STATE BUILDING AUTHORITY**

Sec. 980. (1) Subject to section 242 of the management and budget act, 1984 PA 431, MCL 18.1242, and upon the approval of the state building authority, the department may expend from the general fund of the state during the fiscal year ending September 30, 2006 an amount to meet the cash flow requirements of those state building authority projects solely for lease to a state agency identified in both part 1 and this section, and for which state building authority bonds or notes have not been issued, and for the sole acquisition by the state building authority of equipment and furnishings for lease to a state agency as permitted by 1964 PA 183, MCL 830.411 to 830.425, for which the issuance of bonds or notes is authorized by a legislative concurrent resolution that is effective for the fiscal year ending September 30, 2006. Any general fund advances for which state building authority bonds have not been issued shall bear an interest cost to the state building authority at a rate not to exceed that earned by the state treasurer's common cash fund during the period in which the advances are outstanding and are repaid to the general fund of the state.

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

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

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

Sec. 981. (1) State building authority funding to finance construction or renovation of a facility that collects revenue in excess of money required for the operation of that facility shall not be released to a university or community college unless the institution agrees to reimburse that excess revenue to the state building authority. The excess revenue shall be credited to the general fund to offset rent obligations associated with the retirement of bonds issued for that facility. The auditor general shall annually identify and present an audit of those facilities that are subject to this section. Costs associated with the administration of the audit shall be charged against money recovered pursuant to this section.

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

Sec. 982. (1) The state building authority rent appropriations in part 1 may also be expended for the payment of required premiums for insurance on facilities owned by the state building authority or payment of costs that may be incurred as the result of any deductible provisions in such insurance policies.

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

Sec. 983. The department of management and budget shall provide the JCOS and the fiscal agencies a report relative to the status of construction projects associated with state building authority bonds on September 30 of each year, or not more than 30 days after a refinancing or restructuring bond issue is sold. The report shall include, but is not limited to, the following:

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

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

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

**REVENUE STATEMENT**

Sec. 1101. Pursuant to section 18 of article V of the state constitution of 1963, fund balances and estimates are presented in the following statement:

**BUDGET RECOMMENDATIONS BY OPERATING FUNDS**

(Amounts in millions)  
Fiscal Year 2005-2006

	Fund	Beginning Unreserved Fund Balance	Estimated Revenue	Ending Balance
<b>OPERATING FUNDS</b>				
General fund/general purpose.....	0110	0.0	8,977.7	0.4
General fund/special purpose .....		35.1	13,833.6	91.6
Special Revenue Funds:				
Countercyclical budget and economic stabilization .....	0111	0.0	0.0	0.0
Game and fish protection .....	0112	3.0	61.8	0.0
Michigan employment security act administration .....	0113	5.0	123.4	6.8
State aeronautics .....	0114	0.0	158.1	0.0
Michigan veterans' benefit trust .....	0115	0.0	2.2	0.0
State trunkline.....	0116	0.0	1,949.9	0.0
Michigan state waterways .....	0117	8.6	24.5	0.0
Blue Water Bridge.....	0118	0.0	15.0	0.0
Michigan transportation .....	0119	0.0	2,034.1	0.0
Comprehensive transportation .....	0120	0.0	315.5	0.0
School aid .....	0122	1.9	12,757.4	0.0
Marine safety .....	0123	0.0	4.9	0.0
Game and fish protection trust .....	0124	6.0	10.0	6.0
State park improvement.....	0125	3.2	35.3	1.4
Forest development .....	0126	10.5	27.1	9.2
Michigan civilian conservation corps endowment .....	0128	0.2	1.0	0.0
Michigan natural resources trust .....	0129	40.0	31.2	33.5
Michigan state parks endowment .....	0130	6.1	14.4	3.0
Safety education and training .....	0131	4.8	7.1	4.7
Bottle deposit.....	0136	0.0	32.3	0.0
State construction code .....	0138	2.5	9.4	(3.3)
Children's trust.....	0139	1.0	4.1	0.7
State casino gaming .....	0140	1.2	31.1	1.2
Homeowner construction lien recovery .....	0141	3.1	0.4	2.6
Michigan nongame fish and wildlife .....	0143	0.3	0.5	0.1
Michigan merit award trust .....	0154	1.3	215.1	0.0
Tobacco settlement trust.....	0155	0.0	72.4	0.0
<b>TOTALS.....</b>		<b>\$133.8</b>	<b>\$40,749.5</b>	<b>\$157.9</b>

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

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, civil service, information technology, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2006; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

Valde Garcia  
Michelle McManus  
Michael Switalski  
Conferees for the Senate

Daniel Acciavatti  
Shelley Goodman Taub  
Lee Gonzales  
Conferees for the House

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. 418****Yeas—34**

Allen	Clarke	Jelinek	Schauer
Barcia	Cropsey	Johnson	Scott
Basham	Garcia	Kuipers	Sikkema
Bernero	George	Leland	Stamas
Bishop	Gilbert	McManus	Switalski
Brater	Goschka	Olshove	Thomas
Brown	Hammerstrom	Prusi	Toy
Cherry	Hardiman	Sanborn	Van Woerkom
Clark-Coleman	Jacobs		

**Nays—2**

Cassis	Patterson
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**Excused—0****Not Voting—2**

Birkholz	Emerson
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In The Chair: President

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

**Protest**

Senator Cassis, under her constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the first conference report on Senate Bill No. 272 and moved that the statement she made during the discussion of the bill be printed as her reasons for voting “no.”

The motion prevailed.

Senator Cassis’ statement is as follows:

At times there are certain ironies in any budget process and in terms of the general government budget, in particular, I need to mention one. On one hand, the Governor has been proposing personal property tax credits to relieve the tax burden on many, many of our industries, especially in the manufacturing sector. On the other hand, there is an attempt to increase collections through personal property tax auditors.

About one year ago, the Governor vetoed a bill that I sponsored that would have reduced the increase and the higher penalties on those businesses for one reason or another and made a mistake or an error in their personal property tax filings. The bill would have removed retroactivity. The Governor vetoed this for businesses.

In summary, our Governor is sending mixed messages to the business community at a time when small and large businesses alike are struggling; when bankruptcies are on the increase. There is no question that businesses want and will pay their fair share, but they don’t need Treasury’s intimidation to do so, especially at a time of economic hardship.

I will be voting “no” on this general government budget this year. I urge my colleagues to consider this budget very carefully in light of some of the facts that I have just brought forward.

Senator Johnson submitted the following:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning **Senate Bill No. 281, entitled**

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2006; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

Recommends:

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

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

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2006; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of 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 state transportation department and certain state purposes designated in this act for the fiscal year ending September 30, 2006, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**STATE TRANSPORTATION DEPARTMENT**

APPROPRIATION SUMMARY:

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	3,022.3	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 3,411,460,000</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		0
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 3,411,460,000</b>
Federal revenues:		
DOT, federal transit act.....	59,200,000	
DOT-FHWA, highway research, planning, and construction.....	1,147,342,100	
DOT-FRA, local rail service assistance.....	100,000	
DOT-FRA, rail passenger/HSGT.....	1,000,000	
Total federal revenues .....	1,207,642,100	
Special revenue funds:		
Local funds .....	6,100,000	
Total local revenues .....	6,100,000	
Total private revenues .....	0	
Blue Water Bridge fund .....	16,206,000	
Comprehensive transportation fund.....	240,217,100	
Economic development fund.....	56,277,700	
Intercity bus equipment fund .....	1,000,000	
Local bridge fund.....	34,115,800	
Michigan transportation fund.....	1,086,986,200	
Rail preservation fund.....	2,000,000	
State aeronautics fund.....	14,114,700	
State trunkline fund .....	746,800,400	
Total other state restricted revenues .....	2,197,717,900	
State general fund/general purpose .....		\$ 0
<b>Sec. 102. DEBT SERVICE</b>		
State trunkline.....		\$ 187,117,200
Economic development .....		14,730,100

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Local bridge fund.....	\$	3,000,000
Blue Water Bridge.....		2,383,300
Airport safety and protection plan.....		3,686,100
Comprehensive transportation .....		29,826,800
GROSS APPROPRIATION .....	\$	240,743,500

Appropriated from:

Federal revenues:

DOT-FHWA, highway research, planning, and construction.....		103,200,000
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Special revenue funds:

Blue Water Bridge fund .....		2,383,300
Comprehensive transportation fund.....		28,843,600
Economic development fund .....		14,730,100
Local bridge fund.....		3,000,000
State aeronautics fund.....		4,669,300
State trunkline fund .....		83,917,200
State general fund/general purpose .....	\$	0

**Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY SUPPORT**

**SERVICES**

MTF grant to department of environmental quality.....	\$	986,600
MTF grant to department of state for collection of revenue and fees .....		20,000,000
MTF grant to department of treasury .....		8,238,800
MTF grant to legislative auditor general .....		204,300
STF grant to department of attorney general.....		2,861,400
STF grant to department of civil service .....		2,000,000
STF grant to department of history, arts, and libraries .....		139,600
STF grant to department of management and budget .....		1,221,300
STF grant to department of state police .....		7,667,300
STF grant to department of treasury .....		183,900
STF grant to legislative auditor general .....		474,600
SAF grant to department of attorney general .....		144,000
SAF grant to department of civil service .....		50,000
SAF grant to department of history, arts, and libraries.....		3,800
SAF grant to department of management and budget.....		32,600
SAF grant to department of treasury .....		73,800
SAF grant to legislative auditor general.....		19,600
CTF grant to attorney general .....		145,900
CTF grant to department of civil service .....		90,000
CTF grant to department of history, arts, and libraries.....		6,300
CTF grant to department of management and budget.....		61,900
CTF grant to department of treasury .....		4,800
CTF grant to legislative auditor general.....		25,200
GROSS APPROPRIATION .....	\$	44,635,700

Appropriated from:

Special revenue funds:

Comprehensive transportation fund.....		334,100
Michigan transportation fund .....		29,429,700
State aeronautics fund.....		323,800
State trunkline fund .....		14,548,100
State general fund/general purpose .....	\$	0

**Sec. 104. EXECUTIVE DIRECTION**

Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	31.3

Director.....	\$	140,400
Chief deputy .....		114,400
Communications director .....		74,300
Governmental affairs director.....		93,600
UPTRAN director .....		41,900

	For Fiscal Year Ending Sept. 30, 2006
Commission advisor.....	\$ 67,600
Asset management council.....	1,626,400
Commission audit	
Salaries and fringe benefits—31.3 FTE positions .....	3,169,200
Travel.....	56,700
Other operational expenses .....	64,700
Subtotal - commission audit.....	3,290,600
GROSS APPROPRIATION .....	\$ 5,449,200
Appropriated from:	
Special revenue funds:	
Michigan transportation fund.....	1,626,400
State trunkline fund .....	3,822,800
State general fund/general purpose .....	\$ 0
<b>Sec. 105. BUSINESS SUPPORT</b>	
Full-time equated classified positions.....57.5	
Executive office	
Salaries and fringe benefits—10.5 FTE positions .....	\$ 1,031,700
Travel.....	69,300
Other operational expenses .....	116,400
Subtotal - executive office .....	1,217,400
Communications	
Salaries and fringe benefits—12.0 FTE positions .....	984,500
Travel.....	40,100
Other operational expenses .....	191,200
Subtotal - communications.....	1,215,800
Governmental affairs	
Salaries and fringe benefits—3.0 FTE positions .....	312,400
Travel.....	3,000
Other operational expenses .....	17,500
Subtotal - governmental affairs .....	332,900
Human resources	
Salaries and fringe benefits—23.0 FTE positions .....	2,234,600
Travel.....	18,200
Other operational expenses .....	208,800
Subtotal - human resources.....	2,461,600
Economic development and enhancement programs	
Salaries and fringe benefits—9.0 FTE positions .....	889,500
Travel.....	24,600
Other operational expenses .....	71,800
Subtotal - economic development and enhancement programs.....	985,900
Property management.....	6,404,200
Human resources optimization user charges.....	109,100
Worker’s compensation .....	2,619,000
GROSS APPROPRIATION .....	\$ 15,345,900
Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund.....	1,161,200
Economic development fund.....	500,700
State aeronautics fund.....	231,600
State trunkline fund .....	13,452,400
State general fund/general purpose .....	\$ 0
<b>Sec. 106. INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 25,000,000
GROSS APPROPRIATION .....	\$ 25,000,000
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction.....	555,100

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Special revenue funds:		
Blue Water Bridge fund .....	\$	46,300
Comprehensive transportation fund .....		230,800
Economic development fund .....		37,100
Michigan transportation fund .....		239,800
State aeronautics fund .....		141,600
State trunkline fund .....		23,749,300
State general fund/general purpose .....	\$	0
<b>Sec. 107. FINANCE, CONTRACTS, AND SUPPORT SERVICES</b>		
Full-time equated classified positions .....		253.5
Financial operations		
Salaries and fringe benefits—80.0 FTE positions .....	\$	6,500,900
Travel .....		32,700
Other operational expenses .....		840,000
Subtotal - financial operations .....		7,373,600
Contract services		
Salaries and fringe benefits—34.1 FTE positions .....		2,708,800
Travel .....		17,000
Other operational expenses .....		211,200
Subtotal - contract services .....		2,937,000
Technical and support services		
Salaries and fringe benefits—72.4 FTE positions .....		6,159,400
Travel .....		158,600
Other operational expenses .....		1,856,800
Subtotal - technical and support services .....		8,174,800
Performance excellence		
Salaries and fringe benefits—12.0 FTE positions .....		1,105,200
Travel .....		12,500
Other operational expenses .....		205,400
Subtotal - performance excellence .....		1,323,100
Welcome center operations		
Salaries and fringe benefits—55.0 FTE positions .....		3,678,700
Travel .....		50,500
Other operational expenses .....		842,500
Subtotal - welcome center operations .....		4,571,700
GROSS APPROPRIATION .....	\$	24,380,200
Appropriated from:		
Special revenue funds:		
Michigan transportation fund .....		1,344,100
State trunkline fund .....		23,036,100
State general fund/general purpose .....	\$	0
<b>Sec. 108. TRANSPORTATION PLANNING</b>		
Full-time equated classified positions .....		174.0
Statewide planning services		
Salaries and fringe benefits—122.0 FTE positions .....	\$	11,284,000
Travel .....		150,000
Other operational expenses .....		500,000
Subtotal - statewide planning services .....		11,934,000
Data collection services		
Salaries and fringe benefits—52.0 FTE positions .....		4,754,100
Travel .....		350,000
Other operational expenses .....		746,000
Subtotal - data collection services .....		5,850,100
Specialized planning services and local studies .....		17,280,000
Grants to regional planning councils .....		488,800
GROSS APPROPRIATION .....	\$	35,552,900



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Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction.....	\$ 22,000,000
Special revenue funds:	
Comprehensive transportation fund.....	1,260,300
Michigan transportation fund.....	6,586,300
State aeronautics fund.....	261,900
State trunkline fund.....	5,444,400
State general fund/general purpose.....	\$ 0
<b>Sec. 109. DESIGN AND ENGINEERING SERVICES</b>	
Full-time equated classified positions.....	1,533.4
Engineering services	
Salaries and fringe benefits—803.2 FTE positions.....	\$ 38,110,200
Travel.....	1,856,400
Other operational expenses.....	10,904,500
Subtotal - engineering services.....	50,871,100
Program services	
Salaries and fringe benefits—719.7 FTE positions.....	31,119,800
Travel.....	968,500
Other operational expenses.....	5,428,300
Subtotal - program services.....	37,516,600
Intelligent transportation systems operations—10.5 FTE positions.....	9,665,000
GROSS APPROPRIATION.....	\$ 98,052,700
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction.....	7,000,000
Special revenue funds:	
Michigan transportation fund.....	5,257,600
State trunkline fund.....	85,795,100
State general fund/general purpose.....	\$ 0
<b>Sec. 110. HIGHWAY MAINTENANCE</b>	
Full-time equated classified positions.....	815.6
State trunkline operations	
Salaries and fringe benefits—815.6 FTE positions.....	\$ 59,798,800
Travel.....	1,704,300
Other operational expenses.....	61,460,800
Subtotal - state trunkline operations.....	122,963,900
Contract operations.....	137,104,000
GROSS APPROPRIATION.....	\$ 260,067,900
Appropriated from:	
Special revenue funds:	
State trunkline fund.....	260,067,900
State general fund/general purpose.....	\$ 0
<b>Sec. 111. ROAD AND BRIDGE PROGRAMS</b>	
State trunkline federal aid and road and bridge construction.....	\$ 996,562,100
Local federal aid and road and bridge construction.....	258,992,000
Grants to local programs.....	33,000,000
Rail grade crossing.....	3,000,000
Local bridge fund.....	31,115,800
County road commissions.....	645,023,600
Cities and villages.....	359,629,500
GROSS APPROPRIATION.....	\$ 2,327,323,000
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction.....	1,014,587,000
Special revenue funds:	
Local funds.....	5,000,000

	For Fiscal Year Ending Sept. 30, 2006
Blue Water Bridge fund .....	\$ 3,000,000
Local bridge fund.....	31,115,800
Michigan transportation fund.....	1,040,653,100
State trunkline fund .....	232,967,100
State general fund/general purpose .....	\$ 0
<b>Sec. 112. BLUE WATER BRIDGE</b>	
Full-time equated classified positions.....35.0	
Salaries and fringe benefits—35.0 FTE positions .....	\$ 2,656,400
Travel.....	20,000
Other operational expenses .....	8,100,000
GROSS APPROPRIATION .....	\$ 10,776,400
Appropriated from:	
Special revenue funds:	
Blue Water Bridge fund .....	10,776,400
State general fund/general purpose .....	\$ 0
<b>Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT FUND</b>	
Forest roads .....	\$ 5,040,000
Rural county urban system.....	2,500,000
Target industries/economic redevelopment.....	17,966,200
Urban county congestion .....	7,751,800
Rural county primary .....	7,751,800
GROSS APPROPRIATION .....	\$ 41,009,800
Appropriated from:	
Special revenue funds:	
Economic development fund.....	41,009,800
State general fund/general purpose .....	\$ 0
<b>Sec. 114. AERONAUTICS SERVICES</b>	
Full-time equated classified positions.....56.0	
Airport improvement services	
Salaries and fringe benefits—30.0 FTE positions .....	\$ 2,690,400
Travel.....	125,300
Other operational expenses .....	276,500
Subtotal - airport improvement services.....	3,092,200
Aviation services	
Salaries and fringe benefits—26.0 FTE positions .....	2,361,500
Travel.....	82,100
Other operational expenses .....	1,950,700
Subtotal - aviation services .....	4,394,300
Air service program .....	1,000,000
GROSS APPROPRIATION .....	\$ 8,486,500
Appropriated from:	
Special revenue funds:	
State aeronautics fund.....	8,486,500
State general fund/general purpose .....	\$ 0
<b>Sec. 115. PUBLIC TRANSPORTATION AND FREIGHT SERVICES</b>	
Full-time equated classified positions.....66.0	
Freight and safety services	
Salaries and fringe benefits—36.0 FTE positions .....	\$ 3,253,900
Travel.....	113,600
Other operational expenses .....	458,300
Subtotal - freight and safety services .....	3,825,800
Passenger transportation services	
Salaries and fringe benefits—30.0 FTE positions .....	2,683,500
Travel.....	81,600
Other operational expenses .....	227,800
Subtotal - passenger transportation services.....	2,992,900
GROSS APPROPRIATION .....	\$ 6,818,700

For Fiscal Year  
Ending Sept. 30,  
2006

Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund.....	\$ 4,969,500
Michigan transportation fund.....	1,849,200
State general fund/general purpose.....	\$ 0
<b>Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING</b>	
Local bus operating.....	\$ 163,276,100
Nonurban operating/capital.....	14,600,000
GROSS APPROPRIATION.....	\$ 177,876,100
Appropriated from:	
Federal revenues:	
DOT, federal transit act.....	14,400,000
Special revenue funds:	
Local funds.....	200,000
Comprehensive transportation fund.....	163,276,100
State general fund/general purpose.....	\$ 0
<b>Sec. 117. INTERCITY PASSENGER AND FREIGHT</b>	
Freight property management.....	\$ 1,000,000
Detroit/Wayne County port authority.....	500,000
Intercity bus equipment.....	1,800,000
Rail passenger service.....	8,200,000
Freight preservation and development.....	3,942,900
Rail infrastructure loan program.....	100,000
Intercity bus service development.....	4,850,000
Marine passenger services.....	400,000
Terminal development.....	1,551,300
GROSS APPROPRIATION.....	\$ 22,344,200
Appropriated from:	
Federal revenues:	
DOT, federal transit act.....	3,500,000
DOT-FRA, local rail service assistance.....	100,000
DOT-FRA, rail passenger/HSGT.....	1,000,000
Special revenue funds:	
Local funds.....	50,000
Comprehensive transportation fund.....	14,694,200
Intercity bus equipment fund.....	1,000,000
Rail preservation fund.....	2,000,000
State general fund/general purpose.....	\$ 0
<b>Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT</b>	
Specialized services.....	\$ 8,200,100
Municipal credit program.....	2,000,000
Bus capital.....	46,852,200
Van pooling.....	195,000
Service initiatives.....	1,750,000
Transportation to work.....	8,600,000
GROSS APPROPRIATION.....	\$ 67,597,300
Appropriated from:	
Federal revenues:	
DOT, federal transit act.....	41,300,000
Special revenue funds:	
Local funds.....	850,000
Comprehensive transportation fund.....	25,447,300
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 2005-2006 is \$2,197,717,900.00 and state spending from state resources to be

paid to local units of government for fiscal year 2005-2006 is \$1,278,389,700.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF TRANSPORTATION

Grants to local programs.....	\$ 33,000,000
Economic development fund.....	23,003,600
Grants to cities and villages.....	359,629,500
Grants to county road commissions.....	645,023,600
Local bridge fund.....	31,115,800
Grants to regional planning councils.....	488,800
Local bus operating.....	163,276,100
Bus capital.....	16,352,200
Marine passenger service.....	400,000
Detroit/Wayne County port authority.....	500,000
Municipal credit program.....	2,000,000
Specialized services.....	3,600,100
Total payments to local units of government.....	\$ 1,278,389,700

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

Sec. 203. As used in this article:

- (a) "CTF" means comprehensive transportation fund.
- (b) "Department" means the department of transportation.
- (c) "DOT" means the United States department of transportation.
- (d) "DOT-FHWA" means DOT, federal highway administration.
- (e) "DOT-FRA" means DOT, federal railroad administration.
- (f) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad administration, high-speed ground transportation.
- (g) "EDF" means economic development fund.
- (h) "FTE" means full-time equated.
- (i) "MTF" means Michigan transportation fund.
- (j) "RIF" means recreation improvement fund.
- (k) "SAF" means state aeronautics fund.
- (l) "STF" means state trunkline fund.

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

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

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

Sec. 207. At least 90 days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 6 months. As used in this section, "privatize" or "privatization" means the transfer of state highway maintenance functions or activities currently performed by department forces, or by boards of county road commissioners, county boards of commissioners, or local units of government under contract with the department, to private contractors.

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

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

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

Sec. 211. The departments and state agencies receiving appropriations under this article shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

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

Sec. 260. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2006 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. 261. A department or state agency shall not take disciplinary action against an employee for communicating with a member of the legislature or their staff.

#### **DEPARTMENTAL SECTIONS**

Sec. 301. (1) The department may establish a fee schedule and collect fees sufficient to cover the costs to issue the permits that the department is authorized by law to issue upon request, and for fees associated with freedom of information requests. Unless otherwise authorized by statute, all fee revenue shall be credited to the state trunkline fund to recover the direct and indirect costs of receiving, reviewing, and processing the requests.

(2) A bridge authority shall hold 3 public hearings on an increase in any toll charged by the authority at least 30 days before the toll change will become effective. Two of the hearings shall be held within 5 miles of the bridge over which the bridge authority has jurisdiction. One hearing shall be held in Lansing. Public hearings held under this section shall be conducted in accordance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and shall be conducted so as to provide a reasonable opportunity for public comment, including both spoken and written comments.

Sec. 303. On request, the department shall provide to a legislator, in writing, a report on the amount of money to be received by each city and village and the county road commission of each county, that is included in whole or in part within the legislator's legislative district.

Sec. 304. If, as a requirement of bidding on a highway project, the department requires a contractor to submit financial or proprietary documentation as to how the bid was calculated, that bid documentation shall be kept confidential and shall not be disclosed other than to a department representative without the contractor's written consent. The department may disclose the bid documentation if necessary to address or defend a claim by a contractor.

Sec. 305. The department shall permit space on public passenger transportation properties to be occupied by public or private tenants on a competitive market rate basis. The department shall require that revenue from the tenants be placed in an account to be used to pay the costs to maintain the property.

Sec. 306. Biennially, the auditor general shall conduct an audit of charges to transportation funds by state departments for the 2 preceding fiscal years, with the first such audit including the fiscal years ending September 30, 2006 and September 30, 2007. The auditor general shall prepare a detailed report, with recommendations and conclusions, including a list of services charged to transportation funds, the appropriateness of those charges, the cost allocation methodologies used in determining the level of funding, and any unreimbursed costs. The report shall be provided, upon request, to any member of the senate and house of representatives, senate and house fiscal agencies, and the state budget director 6 months after publication of the state of Michigan comprehensive annual financial report.

Sec. 307. Before February 1 of each year, the department will provide to the legislature, the state budget office, and the house and senate fiscal agencies its rolling 5-year plan listing by county or by county road commission all highway construction projects for the fiscal year and all expected projects for the ensuing fiscal years.

Sec. 308. The department and local road agencies that receive appropriations under this act shall pursue compliance with contract specifications for construction and maintenance of state highways and local roads and streets. Work shall not be accepted and paid for until it complies with contract requirements. Contractors with unsatisfactory performance ratings shall be restricted from future bidding through the prequalification process established by the department or a local road agency. The department, county road commissions, and cities and villages shall report to the house of representatives and senate appropriations subcommittees on transportation on their respective activities under this section.

Sec. 309. The department shall reduce administrative costs and provide the maximum funding possible for construction projects.

Sec. 310. The department shall provide in a timely manner copies of the agenda and approved minutes of monthly transportation commission meetings to the members of the house and senate appropriations subcommittees on transportation, the house and senate fiscal agencies, and the state budget director.

Sec. 311. The department shall not use funds appropriated under part 1 on behalf of a local governmental unit to pay the amount required for that local governmental unit to participate in the federal advance construction program.

Sec. 312. At the close of the fiscal year, any unencumbered and unexpended balance in the state trunkline fund shall remain in the state trunkline fund and shall carry forward and is appropriated for federal aid road and bridge programs for projects contained in the annual state transportation program.

Sec. 313. (1) From funds appropriated in part 1, the department may increase a state infrastructure bank program and grant or loan funds in accordance with regulations of the state infrastructure bank program of the United States department of transportation. The state infrastructure bank is to be administered by the department for the purpose of providing a revolving, self-sustaining resource for financing transportation infrastructure projects.

(2) In addition to funds provided in subsection (1), money received by the state as federal grants, repayment of state infrastructure bank loans, or other reimbursement or revenue received by the state as a result of projects funded by the program and interest earned on that money shall be deposited in the revolving state infrastructure bank fund and shall be available for transportation infrastructure projects. At the close of the fiscal year, any unencumbered funds remaining in the state infrastructure bank fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Sec. 314. The department shall provide a report prepared by the department's internal auditor on the activities of the internal auditor for the previous fiscal year. The report shall be due on February 1, 2006 and shall be submitted to the senate and house of representatives appropriations committees, the senate and house fiscal agencies, the director of the state budget office, and the auditor general. This report shall include a list of all of the following:

- (a) All work activities conducted by the internal auditor, including a listing of all audits, reviews, and investigations.
- (b) The time charged to each work activity, including time charged to each audit, review, or investigation.
- (c) A listing of which audits, reviews, and investigations have been completed and which audits, reviews, and investigations have had reports of the results issued.

Sec. 319. The department shall post signs at each rest area to identify the agency or contractor responsible for maintenance of the rest area. The signs shall include a department telephone number and shall indicate that unsafe or unclean conditions at the rest area may be reported to that telephone number.

Sec. 324. From the funds appropriated in part 1, \$500,000.00 from the state trunkline fund shall be used for enhanced construction zone traffic law enforcement and the "give 'em a brake" campaign. The funding shall be used to reimburse law enforcement agencies for costs associated with construction zone traffic enforcement. The funding shall be provided based on approved memoranda of understanding between the department and participating law enforcement agencies.

Sec. 334. The department shall continue its program to increase the use of women- and minority-owned businesses in state and local road construction projects. This program shall comprise, at a minimum, outreach and education efforts to inform women- and minority-owned firms of department competitive bidding processes and requirements, and an assessment of the availability of surety for women- and minority-owned businesses. The department shall report by March 31, 2006, to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies of its progress in complying with this section.

Sec. 353. The department shall review its contractor payment process and ensure that all prime contractors are paid promptly. The department shall ensure that prime contractors are in compliance with special provision 109.10 regarding the prompt payment of subcontractors.

Sec. 357. When presented with complete local federal aid project submittals, the department shall complete all necessary reviews and inspections required to let local federal aid projects within 120 days of receipt. The department shall implement a system for monitoring the local federal aid project review process.

Sec. 361. The department will notify the senate and house appropriations subcommittees on transportation, the senate and house fiscal agencies, and the state budget director of any changes to the services or function of the multi-modal transportation services program as approved by the state transportation commission.

Sec. 363. From the funds appropriated in part 1, sufficient funds shall be granted to Michigan Technological University to complete a study of the distribution and nature of log truck accidents and the characteristics of log trucks and log loads. The study shall consider alternative designs for log trucks and trailers, including crib vehicles on which logs are loaded lengthwise. The findings of this study shall be forwarded to the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget director. A final report of the study shall be provided to the senate and house appropriations subcommittees on transportation no later than September 15, 2006. This appropriation represents the final amount of state funding provided for this study.

Sec. 365. No funds appropriated in part 1 may be expended for the development of design plans or for the construction of either Practical Alternative 5 or Practical Alternative 5 modified, as identified in US-131 Improvement Study in St. Joseph County. It is the intention of the legislature that the department proceed with the construction of a full limited access freeway development within the US-131 planning corridor from the Indiana state line to north of the city of Three Rivers to Lovers Lane. The highway location must be determined with public input and using Practical Alternative numbers 1 through 4.

Sec. 370. (1) From the funds appropriated in part 1, no later than April 1, 2006, the director shall develop a complaint process to enforce the charter service prohibition contained in section 10e of 1951 PA 51, MCL 247.660e. The complaint process shall be independent from the charter service complaint process administered by the federal department of transportation, federal transit administration under 49 CFR part 604. The process shall allow complainants to file written complaints with the director, either through the United States mail or through the department's Internet site. The process shall allow complainants and respondents to provide evidence to the director regarding the alleged complaint. The director shall dispose of all complaints within 120 days after receipt.

(2) If the director determines that an eligible authority or an eligible governmental agency as defined under section 10c of 1951 PA 51, MCL 247.660c, has violated section 10e of 1951 PA 51, MCL 247.660e, the director shall withhold 10% of the funding received by the eligible authority or eligible governmental agency from the appropriation in part 1 for local bus operating, retroactive to the date that the complaint alleging violation of the charter prohibition was received by the director. For each subsequent violation of section 10e of 1951 PA 51, MCL 247.660e, the director shall withhold 20% of the funding received by the eligible authority or eligible governmental agency from the appropriation in part 1 for local bus operating.

Sec. 374. The department shall produce and distribute all employee newsletters electronically.

Sec. 375. The department is prohibited from reimbursing contractors or consultants for costs associated with groundbreaking ceremonies, receptions, open houses, or press conferences related to transportation projects funded, in whole or in part, by revenue appropriated in part 1.

Sec. 376. No later than October 15, 2005, the department shall report to the senate and house of representatives appropriations subcommittees on transportation on the status of the 17 projects that were initially deferred in the department's 5-year plan in 2003 and subsequently restored.

Sec. 379. The department shall not spend any comprehensive transportation fund revenue appropriated in part 1 on operational planning for an eligible authority or eligible governmental agency in accordance with section 10b(3) of 1951 PA 51, MCL 247.660b.

Sec. 380. (1) The department only shall use those appropriations contained in sections 114 and 115 to support the operations of the multi-modal transportation services bureau. Except as provided in subsection (2), the department is prohibited from charging any costs associated with the multi-modal transportation services bureau to any appropriation in part 1, other than the appropriations contained in sections 114 and 115, regardless of their funding source without an approved legislative transfer or an enacted supplemental appropriations bill.

(2) Funds not appropriated in sections 114 and 115 may be used to fund costs associated with multi-modal transportation services, aeronautics, or freight safety services activities related to federally eligible costs for project management, inspection, and administration of federally funded projects and for construction of safety inspections of rail projects.

Sec. 381. No funds appropriated in part 1 shall be used to pay for the costs associated with the production or airing of a television program by the department, unless the program addresses traffic or safety advisories.

Sec. 383. (1) The department, with assistance from the departments of state police, natural resources, and military and veterans affairs, shall prepare a quarterly report on all travel by executive branch employees on state-owned,

noncombat aircraft. The report shall include, by department, the name of the traveler, the travel origination location, the travel destination location, type of aircraft, and the total estimated costs associated with the air travel.

(2) From the funds appropriated in part 1, the department is prohibited from transporting employees of institutions of higher education on state-owned aircraft.

(3) From the funds appropriated in part 1, the department is prohibited from transporting legislators or legislative staff on state-owned aircraft without prior approval from the senate majority leader and/or the speaker of the house of representatives.

(4) From the funds appropriated in part 1, the department is prohibited from transporting local government employees on state-owned aircraft.

(5) It is the intent of the legislature that state elected officials use commercial or other private air service, unless air travel on state-owned aircraft is part of official state business.

Sec. 384. (1) From the funds appropriated in part 1, the department shall prepare a report on the operations of intelligent transportation service centers for the preceding fiscal year. The report shall include a description of all operations by service center location, a listing of contractor services provided at each service center location, and a listing of organizations, both private and public, that have access to the information generated at each service center location. The report shall be submitted to the senate and house of representatives appropriations transportation subcommittees by December 1, 2005.

(2) By December 1, 2005, the department shall submit copies to the senate and house of representatives appropriations transportation subcommittees of all agreements, including memoranda of understanding, between the department and all private and public organizations that have access to each service center location.

(3) By December 1, 2005, the department shall establish uniform policies for public and private access to each service center location. Copies of these policies shall be submitted to the senate and house of representatives appropriations transportation subcommittees.

Sec. 385. From funds appropriated in part 1, the department shall report on the impacts of emerald ash borer infestation on state trunkline rights of way. The report shall identify areas of infestation, remediation efforts, and actual and projected costs of remediation. The report shall be submitted to the senate and house of representatives appropriations subcommittees on transportation no later than February 1, 2006.

Sec. 387. The department shall publish and disseminate to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies all plans related to the upgrade of the I-96/M-59 interchanges by April 1, 2006.

### **FEDERAL**

Sec. 401. When the department receives authorization from the federal government to commit transportation funds pursuant to federal appropriations, it shall present to the senate and house of representatives appropriations transportation subcommittees and the senate and house fiscal agencies, the federal amounts and categories authorized and the department's recommendation for distribution of these funds. If a recommendation or recommendations are not approved within 30 business days by both the senate and house of representatives appropriations transportation subcommittees, then the recommendation or recommendations shall be considered as disapproved. If either the senate or house of representatives appropriations transportation subcommittees disapproves the proposed distribution, then the senate and house of representatives appropriations transportation subcommittees and the department shall hold a joint meeting to develop a final distribution.

### **MICHIGAN TRANSPORTATION FUND**

Sec. 501. The money received under the motor carrier act, 1933 PA 254, MCL 475.1 to 479.43, and not appropriated to the department of labor and economic growth or the department of state police is deposited in the Michigan transportation fund.

Sec. 502. The department of treasury shall perform audits and make investigations of the disposition of all state funds received by county road commissions or county boards of commissioners, as applicable, and cities and villages for transportation purposes to determine compliance with the terms and conditions of 1951 PA 51, MCL 247.651 to 247.675. County road commissions or county boards of commissioners, as applicable, and cities and villages shall make available to the department of treasury the pertinent records for the audit.

Sec. 503. (1) The funds appropriated in part 1 for the economic development and local bridge programs shall not lapse at the end of the fiscal year but shall carry forward each fiscal year for the purposes for which appropriated in accordance with 1987 PA 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL 247.660.

(2) Interest earned in the department of transportation economic development fund and local bridge fund shall remain in the respective funds and shall be allocated to the respective programs based on actual interest earned at the end of each fiscal year.

(3) The department of transportation economic development fund and local bridge fund may receive and expend federal, local, or private funds or restricted source funds such as interest earnings for projects that are consistent with the programmatic mission of the respective funds in addition to funds appropriated in part 1.

(4) None of the funds statutorily dedicated to the transportation economic development fund and local bridge fund shall be diverted to other projects.



Sec. 504. (1) Funds from the Michigan transportation fund (MTF) shall be distributed to the comprehensive transportation fund (CTF), the economic development fund (EDF), the recreation improvement fund (RIF), and the state trunkline fund (STF), in accordance with this act and part 711 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108, and may only be used as specified in this act, 1951 PA 51, MCL 247.651 to 247.675, and part 711 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108.

(2) The amounts appropriated and transferred to various state agencies from part 1 shall be expended from the transportation funds pursuant to annual contracts between the department and state agencies providing tax and fee collection and other services applicable to transportation funds. The contracts shall be executed prior to the transfer of these funds. The contracts shall provide, but are not limited to, the following data applicable to each state agency:

(a) Estimated costs to be recovered from transportation funds.

(b) Description of services financed with transportation funds.

(c) Detailed cost allocation methods that are appropriate to the type of services being provided and the activities financed with transportation funds.

(3) Two months after publication of the state of Michigan comprehensive annual financial report, each state agency receiving an interdepartment and statutory contract from the department shall submit a written report to the department, the state budget director, and the house and senate fiscal agencies stating by spending authorization account the amount of estimated funds contracted with the department, the amount of funds expended, the amount of funds returned to the transportation funds, and any unreimbursed transportation-related costs incurred but not billed to transportation funds. A copy of the report shall be submitted to the auditor general and the report shall be subject to audit by the auditor general.

#### **STATE TRUNKLINE FUND**

Sec. 601. The department shall work with the road construction industry and engineering consulting community to develop performance and road construction warranties for construction contracts. The development of warranties shall include warranties on materials, workmanship, performance criteria, and design/build projects. The department will report by September 30 of each calendar year to the house of representatives and senate appropriations subcommittees on transportation, the state budget director, and the house and senate fiscal agencies on the status of efforts to develop performance and road construction warranties.

Sec. 602. If the department uses manufactured pipe for road construction drainage, the department shall require that pipe used under certain load-bearing conditions beneath the roadway meets the standards established by the American society for testing and materials (ASTM) or American association of state highway and transportation officials (AASHTO). The department may also use the mandrel test for manufactured pipe 60 days after installation and provide a summary of the results of these inspections to the house of representatives and senate appropriations subcommittees on transportation and house and senate fiscal agencies.

Sec. 603. The department shall use traffic congestion as 1 of the criteria in determining the priorities for designating which roads shall be remediated in its 5-year road plan, which must be submitted on or before February 1, 2006. Criteria for evaluating traffic congestion shall include, but not be limited to, coordination with local, county, and regional planning, improvement in traffic operations, improvement in physical roadway conditions, accident reduction, and coordination with area public transportation planning.

Sec. 607. Funding shall be made available for the remediation of unsafe pedestrian crossings on state highways. Funds from this appropriation may be expended only as matching funds for up to 50% of project cost with additional project funding to be provided by local units of government or through private contributions. Selected projects shall require the approval of the transportation commission. Maintenance of pedestrian overpasses constructed from funds made available through this appropriation shall be the responsibility of a local unit of government or public or private institutions of higher education.

Sec. 608. From the amounts appropriated in part 1 for forest roads from the transportation economic development fund, \$40,000.00 shall be used for the purpose of establishing 2 additional truck inspection stations. The department shall work directly with representatives of the timber industry to educate truck drivers on the use of the stations. The department shall report on the status of this program.

Sec. 610. It is the intent of the legislature that the department have as a priority the removal of dead deer and other large animal remains from the traveled portion and shoulder of state highways. The department, and counties that perform state highway maintenance under contract, shall remove animal remains, wherever practicable, away from the traveled portion and shoulder of state highways.

Sec. 611. From the appropriations in part 1, the department shall use high-quality pavement marking materials for all state trunkline projects with a design life of 10 years or greater. The department shall coordinate with material suppliers, equipment manufacturers, and application contractors to ensure cost-effective improvements in durability and retro-reflectivity. The department shall identify pilot projects for demonstration of wet reflective characteristics. The department shall submit a report to both the house and senate appropriations committees and the house and senate

fiscal agencies by January 31, 2007, that provides a report on the wet reflective pilot projects and the use of high-quality pavement marking materials in coordination with material suppliers, equipment manufacturers, and application contractors.

Sec. 612. The department shall establish guidelines governing incentives and disincentives provided under contracts for state trunkline projects. The guidelines shall include specific financial information concerning incentives and disincentives. On or before January 1, 2006, the department shall prepare a report for the immediately preceding fiscal year regarding contract incentives and disincentives. This report shall include a list, by project, of the contractors that received contract incentives and/or disincentives, the amount of the incentives and/or disincentives, and the number of days that each project was completed either ahead or past the contracted completion date. This report shall be provided to the senate and house appropriations subcommittees on transportation, the senate and house standing committees on transportation, and the senate and house fiscal agencies.

Sec. 617. From the funds appropriated in part 1, the department shall proceed with the construction of a full interchange at the intersection of M-48 and I-75 in Chippewa County. The department shall develop design plans and award the construction contract for this project during the fiscal year ending September 30, 2006.

Sec. 621. From the funds appropriated in part 1, the department shall install a traffic light on US-31 at the intersection with Bay Harbor in Emmet County.

Sec. 622. From the funds appropriated in part 1, the department shall proceed with the construction of improvements to the M-37 corridor between 100th Street and 84th Street in Caledonia Township, Kent County, as recommended in the department's corridor traffic study. The improvements shall include traffic signalization at the intersections of M-37 and Glengarry Drive, and M-37 and 100th Street, and the construction of a turning lane along the length of the corridor.

Sec. 623. Upon passage of House Bill No. 4564 of the 93rd Legislature, there is appropriated from the funds in section 111 for state trunkline federal aid and road and bridge construction \$137,500.00 for the costs associated with the removal of a barricade on Tienken Road in Oakland County. The department shall make these funds available for this project only if each city, Rochester Hills and Auburn Hills, provides a 50% match to the amount of state funding for this project.

Sec. 624. From the funds appropriated in part 1, the department shall address the structural problems with the M-25 bridge in Hume Township resulting from the Schram drain.

Sec. 625. From the funds appropriated in part 1, the department shall conduct a feasibility study regarding the construction of a full interchange between exits 212 and 215 on I-75 in Ogemaw County at M-30. The study shall be completed and the findings communicated to the senate and house of representatives appropriations subcommittees on transportation by February 1, 2006.

Sec. 628. Funds appropriated in part 1 shall not be used to transfer investment management functions from the Mackinac Bridge Authority to the state treasurer. All bridge operating functions currently performed by the Mackinac Bridge Authority remain within the Mackinac Bridge Authority established under section 2 of 1950 (Ex Sess) PA 21, MCL 254.302. The legislature concurs with the finding of the Governor's Mackinac Bridge Task Force established under Executive Order No. 1986-14 that the Mackinac Bridge Authority remain in existence and continue to operate and maintain the bridge in the future.

Sec. 633. From the funds appropriated in part 1, the department shall install a traffic signal on M-99 at the intersection with Spicerville highway in Eaton County.

Sec. 636. From the funds appropriated in part 1, the department shall construct a full interchange on I-69 at Graham Road in Lapeer County.

Sec. 637. From the funds appropriated in part 1, the department shall construct a nonmotorized vehicle bridge that crosses the Boardman River between Hull Street and 10th Street in Traverse City.

Sec. 638. From the funds appropriated in part 1, the department shall proceed with the construction of a full interchange on I-96 and Latson Road in Livingston County.

Sec. 639. The department shall develop a plan and schedule to place signs on state highways that direct motorists to drive on the right half of the roadway in accordance with section 634 of the Michigan vehicle code, 1949 PA 300, MCL 257.634.

Sec. 640. The department shall develop a plan and schedule to place signs on state highways that direct motorists to yield the right-of-way to approaching emergency vehicles in accordance with section 653 of the Michigan vehicle code, 1949 PA 300, MCL 257.653.

Sec. 641. From the funds appropriated in part 1, the department shall reconstruct the interchange at US-127 and Mission Road in Union Township, Isabella County.

Sec. 643. From the funds appropriated in part 1, sufficient funds are appropriated to match any federal congressional high-priority projects which may be designated for the completion of 2 segments of US-127 from Ithaca to St. Johns to a limited access freeway.

Sec. 644. From the funds appropriated in part 1, the department shall reduce congestion on I-75 from 8 Mile Road to M-24/Lapeer Road.

Sec. 645. From the funds appropriated in part 1, the department shall complete safety and intersection improvements at Woodward and Lincoln Street in the city of Birmingham.

Sec. 646. From the funds appropriated in part 1, the department shall complete improvements to the median of Square Lake Road between Franklin and Woodward in Bloomfield Township.

Sec. 647. From the funds appropriated in part 1, \$500,000.00 is appropriated for the preservation and maintenance for roads and trails under the authority of the Mackinac state park commission.

Sec. 648. From the funds appropriated in part 1, the department shall proceed with the construction of intersection improvements, including lane widening and construction of turning lanes on US-2 at County Road 521 in Delta County.

Sec. 649. Upon completion of reconstruction of the interchange on I-96 at Beck Road, the department shall proceed with the reconstruction of the interchange on I-96 at Wixom Road in Oakland County.

Sec. 650. From the funds appropriated in part 1, the department shall complete safety and intersection improvements at Ford Road and Beck Road in Canton Township.

Sec. 651. From the funds appropriated in part 1, the department shall construct additional traffic lanes on both eastbound and westbound M-59 from Crooks Road in Rochester Hills to Ryan Road in Macomb County.

Sec. 652. From the funds appropriated in part 1, the department shall proceed with the construction of an interchange on I-75 at Milbocker and McCoy Roads in the city of Gaylord and the construction of a bridge over I-75 connecting Van Tyle Road and S. Wisconsin Avenue in the city of Gaylord.

Sec. 653. From the funds appropriated in part 1, the department shall work with local officials from Spaulding Township, Saginaw County, to address flooding problems associated with the Flint River bridge on M-13.

Sec. 654. (1) It is the intent of the legislature that the Mackinac Bridge Authority work to protect the long-term viability of the Mackinac Bridge.

(2) From the funds appropriated in part 1, the department shall submit a quarterly report, beginning January 1, 2006, regarding departmental activities associated with the Mackinac Bridge. The report shall be provided to all members of the Mackinac Bridge Authority, the senate and house of representatives transportation committees, the senate and house of representatives appropriations subcommittees on transportation, and the fiscal agencies. The report shall include the following information:

(a) All expenditures of bridge toll revenue by the department.

(b) All expenditures by the department from other state funding sources for bridge maintenance, insurance, or bridge planning activities.

(c) The department's most recent bridge inspection report.

(d) Copies of all contracts which the department has entered into involving any aspect of the oversight of the bridge.

(3) In addition to the report required under subsection (2), from the funds appropriated in part 1, the department shall provide, upon request by any member of the Mackinac Bridge Authority, all information pertinent to the maintenance, operation, insurance, financing, or future planning of the Mackinac Bridge. This information shall be provided within 10 working days of the request. The Mackinac Bridge Authority shall be granted full disclosure of all pertinent information so that it may fulfill its role of protecting the long-term viability of the bridge.

#### **COMPREHENSIVE TRANSPORTATION FUND**

Sec. 701. Except as otherwise provided for in this section, money that is received by the state as a lease payment for state-owned intercity bus equipment is not money to be deposited in the comprehensive transportation fund under section 10b of 1951 PA 51, MCL 247.660b, but is money that is deposited in an intercity bus equipment fund for appropriation for the purchase and repair of intercity bus equipment. Proceeds received by the state from the sale of intercity bus equipment are deposited in an intercity bus equipment fund for appropriation for the purchase and repair of intercity bus equipment. Security deposits from the lease of state-owned intercity bus equipment not returned to the lessee of the equipment under terms of the lease agreement are deposited in an intercity bus equipment fund for appropriation for the repair of intercity bus equipment. At the close of the fiscal year, any funds remaining in the intercity bus equipment fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Sec. 702. Money that is received by the state as repayment for loans made for rail or water freight capital projects, and as a result of the sale of property or equipment used or projected to be used for rail or water freight projects shall be deposited in the fund created by section 17 of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.67. At the close of the fiscal year, any funds remaining in the rail preservation fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Sec. 703. After receiving notification from a railroad company pursuant to section 8 of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.58, the department shall immediately notify the house of representatives and senate appropriations subcommittees on transportation and the state budget office that the railroad company has filed with the appropriate governmental agencies for abandonment of a line.

Sec. 705. Funds appropriated in part 1 for the rail infrastructure loan program shall be credited to the rail infrastructure loan fund established in section 15a of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.65a.

Sec. 706. The Detroit/Wayne County port authority shall issue a complete operations assessment and a financial disclosure statement. The operations assessment shall include operational goals for the next 5 years and recommendations

to improve land acquisition and development efficiency. The report shall be completed and submitted to the house of representatives and senate appropriations subcommittees on transportation, the state budget director, and the house and senate fiscal agencies by February 15 of each fiscal year for the prior fiscal year.

Sec. 707. (1) For the fiscal year ending September 30, 2006, each eligible authority and each eligible governmental agency which provides public transportation services in urbanized areas with a Michigan population of less than or equal to 100,000 and nonurbanized areas under section 5311 of title 49 of the United States Code, 49 USC 5311, shall receive a grant of up to 60% of its eligible operating expenses. Each eligible authority and each eligible government agency which provides public transportation services in urbanized areas with a Michigan population of greater than 100,000 under section 5307 of title 49 of the United States Code, 49 USC 5307, shall receive a grant of up to 50% of its eligible operating expenses.

(2) If the department determines that the Detroit transportation corporation is an eligible governmental agency as defined in section 10c(c) of 1951 PA 51, MCL 247.660c, and is eligible for operating grants under section 10e of 1951 PA 51, MCL 247.660e, the Detroit transportation corporation shall receive an operating grant not to exceed the amount of the distribution it received for eligible operating expenses for the fiscal year ending September 30, 1997 as provided in section 10e(4)(a)(v) of 1951 PA 51, MCL 247.660e. The funding plan for capital construction costs of the Detroit people mover project as described and provided under 1984 PA 243, 1985 PA 111, 1986 PA 207, 1987 PA 136, 1988 PA 271, 1989 PA 54, and 1990 PA 202 represents the only funding plan for cost overruns and there is no provision or expectation of other state money of any nature or character whatsoever for the construction or operation of the project.

(3) No funds appropriated in part 1 or in part 1 of 2004 PA 361 may be distributed, expended, or encumbered for operating or capital assistance to the Detroit transportation corporation prior to a resolution by the regional transit coordinating council established under the metropolitan transportation authorities act of 1967, 1967 PA 204, MCL 124.401 to 124.426, indicating how such funds would be treated in relation to article V of the regional transit coordinating council bylaws. Any state operating assistance for which the Detroit transportation corporation has applied which has not been distributed or expended by September 30, 2005 may not be encumbered for the Detroit transportation corporation but shall be redistributed to other eligible authorities and eligible governmental agencies in accordance with section 10e of 1951 PA 51, MCL 247.660e.

Sec. 708. If funds appropriated in part 1 are used to provide state-owned or state-leased buses to private intercity bus carriers, the department shall charge not less than \$1,000.00 per bus per year for their use.

Sec. 709. (1) The following bus routes are designated as an essential corridor in Michigan:

Between St. Ignace and Escanaba	US-2
Between Escanaba and Duluth	US-2 through Ironwood to the state line
Between Calumet and Escanaba	US-41
Between Escanaba and Milwaukee	US-41 through Menominee to the state line
Between St. Ignace and Sault Ste. Marie	I-75
Between Detroit and Chicago	I-94 from Detroit to the state line
Between Detroit and Muskegon	I-96
Between Grand Rapids, Holland, and Benton Harbor	I-196 to I-94
Between Muskegon and Grand Rapids	US-31, I-96
Between Detroit and Bay City	I-75
Between Bay City and Mount Pleasant	US-10, M-20
Between Jackson and Traverse City	US-127, US-27, I-75, Grayling, Gaylord, M-72 to Traverse City
Between Jackson and Indianapolis	I-69, I-94 to the state line through Albion, Marshall, and Coldwater
Between Houghton Lake and Cadillac	M-55 and M-66
Between Detroit and Toledo	I-75 to the state line
Between the Indiana state line and Traverse City	US-31 and I-196
Between Detroit and Port Huron	I-375 and I-94
Between Toledo and Bay City	US-23, I-75, and I-675, I-75
Between Bay City and Chicago	I-75, Flint, I-69, I-94, Battle Creek, I-94 to the state line
Between Flint and Lansing	I-69, M-21, Owosso, M-52, I-69
Between Bay City and St. Ignace	I-75, US-23
Between Grand Rapids and St. Ignace	US-131, Cadillac, M-115, Mesick, M-37 to Traverse City, US-31, Acme, M-72, Kalkaska, US-131, Boyne Falls, M-75, Walloon Lake, US-131, Petoskey, US-31, I-75, St. Ignace
Between Kalamazoo and Grand Rapids	US-131

(2) Any changes to the essential corridor list in subsection (1) shall be approved by the house and senate appropriations subcommittees on transportation.

(3) No entity shall receive operating assistance for a scheduled regular route service which is competing with another private or public carrier over the same route.

Sec. 710. Local transit agencies shall not establish new routes that duplicate existing routes served by intercity carriers when providing services under regional transportation service programs. Private intercity carriers shall be provided an opportunity to bid by local public transit agencies on services funded through the regional transportation service program. The department shall withhold all funding provided to a local public transit agency under section 10e(4)(a) of 1951 PA 51, MCL 247.660e, if the local public transit agency fails to provide intercity carriers with an opportunity to bid on services funded through the regional transportation service program.

Sec. 711. (1) From the funds appropriated in part 1 from the comprehensive transportation fund for rail passenger service, the department shall negotiate with a rail carrier to provide rail service between Grand Rapids and Chicago and between Port Huron and Chicago on a 7-day basis, consistent with the other provisions of this section.

(2) Any state subsidy for rail passenger service between Grand Rapids and Chicago and between Port Huron and Chicago shall be limited to the direct operating costs of rail passenger service between Grand Rapids and Chicago and between Port Huron and Chicago. Direct operating costs shall include the costs that are needed to provide staffing for passenger service kiosks at Port Huron, Flint, and East Lansing stations. Any state funding provided under this section shall not exceed \$6,100,000.00.

(3) The rail carrier shall, as a condition to receiving a state operating subsidy, establish a system to monitor, collect, and resolve customer complaints and shall make the information available to the department, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies.

(4) The department shall submit a report to both the house and senate appropriations committees and the house and senate fiscal agencies by January 1, 2006 that provides a 5-year history on services, ridership, and subsidies.

(5) Future state support for the service between Grand Rapids and Chicago and Port Huron and Chicago is dependent on the department's ability to provide a plan and a contract for services that increase ridership and revenue, reduce operating costs, and improve on-time performance. The department shall include a section in the report required in subsection (4) detailing efforts to reduce the dependence on state operating subsidies and projected operating expenses for the next 2 years, and recommending service alternatives, for the Grand Rapids to Chicago service and the Port Huron to Chicago service.

(6) No state subsidy shall be provided from the funds appropriated in part 1 if the chosen rail carrier is Amtrak and Amtrak discontinued service or any portion of the service between Port Huron and Chicago or Grand Rapids and Chicago during the preceding fiscal year, unless the discontinuance of service was for track maintenance or was caused by acts of God.

(7) Notwithstanding subsection (2), it is the intent of the legislature that an additional \$1,000,000.00 from the comprehensive transportation fund shall be made available to the state subsidy for rail passenger service between Grand Rapids and Chicago and between Port Huron and Chicago if there is a signed contract to relocate Amtrak maintenance facilities to Michigan.

Sec. 714. (1) The department, in cooperation with local transit agencies, shall work to ensure that demand-response services are provided throughout Michigan. The department shall continue to work with local units of government to address the unmet transit needs in Michigan.

(2) The department shall report by March 1, 2006 on its efforts to implement this section over the past 2 years.

Sec. 719. The department may provide advances to local road authorities from the rail grade crossing account pursuant to section 11(1)(g) of 1951 PA 51, MCL 247.661, for the construction of grade separations. Money that is received by the state as a repayment of the advance, including interest on the advance, shall be returned to the rail grade crossing account and be available for the local grade crossing program for advances for the construction of grade separations pursuant to section 11(1)(g) of 1951 PA 51, MCL 247.661.

Sec. 721. For federal transit administration bus acquisition capital grants matched with CTF funds appropriated in part 1, transit agencies shall have 4 years from the federal approval date to carry out their projects. Contract line items unobligated 4 years after the federal approval date may be matched with CTF funds only up to 15% in the fifth and subsequent years. "Unobligated" means any line item in the contract that is not committed to a third party or purchase order. A waiver shall be granted by the department for an additional year with documented justification from the transit agency accompanied by a resolution from the board or authority seeking a waiver. If a transit agency does not carry out a line item activity in a specific authorization and the transit agency requests funds in a new authorization for that same activity, the line item shall be matched at up to 15%. This section applies only to bus acquisition capital grants. Lapsed funds under this section shall remain in the CTF.

Sec. 722. From the funds appropriated in part 1 for transportation to work from the CTF, sufficient funds shall be used as a match for job access reverse commute grants for local transit agencies.

Sec. 728. From the funds appropriated in section 117 for freight preservation and development, \$250,000.00 shall be used for crossing upgrades and bridge deck replacement on the Huron subdivision of the lake state rail company.

Sec. 729. From the funds appropriated in section 117 for intercity bus service development, \$100,000.00 shall be used for lost ridership support and/or marketing efforts to increase awareness of intercity bus service, increase ridership on intercity bus carriers, and improve coordination of intercity bus service in Michigan.

Sec. 730. The department shall sell all state-owned intercity bus equipment within 6 months of termination of lease agreements with intercity bus carriers. The proceeds from the sale of state-owned intercity bus equipment under this section shall be deposited in the intercity bus equipment fund, consistent with section 701.

Sec. 731. The department shall charge public transit agencies and intercity bus carriers equal rates per square foot for leasing space in state-owned intermodal facilities.

Sec. 732. (1) From the funds appropriated in part 1 for local bus operating, eligible authorities and eligible governmental agencies receiving grants under section 10e of 1951 PA 51, MCL 247.660e, shall equip vehicles with necessary operational lifts and certify to the department, in a format specified by the department, that those lifts are maintained and cycled on a regularly scheduled basis to ensure operability consistent with authority granted to the department under 1951 PA 51, MCL 247.651 to 247.675.

(2) By October 29, 2005, eligible authorities and eligible governmental agencies shall forward to the department, the senate and house appropriations subcommittees on transportation, the senate and house fiscal agencies, and the state budget director a report on the status of their fleet with respect to operational lifts pursuant to subsection (1). Eligible authorities and eligible governmental agencies shall specifically include information in the report on the number and percentage of the fleet with operational lifts, and the number and percentage of the fleet with operational lifts that are not in working order.

(3) An eligible authority or eligible governmental agency that reports, pursuant to subsection (2) that vehicles currently eligible for or in active service have lifts that are not operational, shall certify to the department by December 31, 2005 that the nonoperational lifts have been repaired or replaced and are operational.

(4) By April 1, 2006, the department director shall certify, in writing, to the senate and house appropriations subcommittees on transportation, senate and house fiscal agencies, and the state budget director that the information provided by each eligible authority or eligible governmental agency under subsections (2) and (3) is accurate to the best of the director's knowledge. In the event that the department director finds that the information provided by each eligible authority or eligible governmental agency under subsections (2) and (3) is inaccurate, the director shall notify the eligible authority or eligible governmental agency of the inaccuracies and require submission of a corrected report.

(5) Eligible authorities and eligible governmental agencies who report, pursuant to subsection (2), nonoperational lifts on vehicles currently eligible for or in active service, and who are unable to certify, pursuant to subsection (3), that lifts have been repaired or replaced by December 31, 2005, shall not receive 25% of their monthly local bus operating grant, beginning January 1, 2006. Persons 65 years of age or older and persons with disabilities shall be exempt from fare box charges for the period an eligible authority or eligible governmental agency has funds withheld pursuant to this subsection.

(6) If the eligible authority or eligible governmental agency certifies on or before April 30, 2006 that lifts reported as nonoperational pursuant to subsections (3) and (4) are now operational, funds withheld during the period subsequent to December 31, 2005 shall be forwarded to the applicable eligible authority or eligible governmental agency. If the applicable lifts are not operational by April 30, 2006, funds withheld pursuant to subsection (4) shall be forfeited and deposited to the comprehensive transportation fund.

(7) The department shall report to the senate and house appropriations subcommittees on transportation, senate and house fiscal agencies, and the state budget director on September 30, 2006, regarding actions taken with respect to implementation of this section.

(8) The department shall ensure that transit agencies have adequate wheelchair lifts available on demand response vehicles to meet the needs of persons with disabilities.

Sec. 734. (1) The department shall ensure that all public transit agencies provide the highest quality public transit service by moving people in a cost-effective, safe, and user-friendly manner that maintains and attracts residents and businesses.

(2) Public transit agencies receiving funds under part 1 shall do all of the following:

(a) Provide efficient, cost-effective, safe, well-maintained, reliable, customer-driven transportation services.

(b) Provide a quality work environment that has and fulfills employee performance, productivity, and development standards.

(c) Identify and capture all available funding or create cost-effective programs to eliminate debt and have a balanced budget.

(d) Maintain sufficient local and community funding.

(e) Support business development by providing transportation to areas of employment and commerce, emerging or established businesses, and health care facilities.

Sec. 736. From the funds appropriated in part 1, the department shall work with intercity rail and bus passenger carriers to coordinate intercity passenger transportation in Michigan. The department shall assist in the coordination of intercity routes, schedules, and facilities.

Sec. 737. It is the intent of the legislature that the department proceed with the construction of a Birmingham/Troy intermodal passenger facility.

Sec. 738. From the funds appropriated in part 1, freight preservation and development, the department shall resurface state-owned rail track from mile post 65.8 in Owosso to mile post 74.2 in Oakley and shall perform track rehabilitation from mile post 74.2 in Oakley to mile post 78.2 in Chesaning.

Sec. 739. Eligible authorities and eligible governmental agencies receiving grants from funds appropriated in this act shall not assign buses longer than 40 feet to fixed route service if a reasonable estimate of ridership does not warrant the use of such large-capacity vehicles.

**AERONAUTICS FUND**

Sec. 801. At the close of the fiscal year, any unobligated and unexpended balance in the state aeronautics fund created in the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1 to 259.208, shall lapse to the state aeronautics fund and be appropriated by the legislature in the immediately succeeding fiscal year.

Sec. 805. State aeronautics funds appropriated in part 1 for airport safety and protection plan debt service are transferred to the comprehensive transportation fund and are appropriated for the purpose of reimbursing comprehensive transportation fund debt service obligations for the airport safety and protection plan program.

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

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2006; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

Shirley Johnson  
 Tony Stamas  
 Jim Barcia  
 Conferees for the Senate

Shelley Goodman Taub  
 Daniel Acciavatti  
 Conferees for the House

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. 419**

**Yeas—22**

Allen	Garcia	Johnson	Sikkema
Birkholz	Gilbert	Kuipers	Stamas
Bishop	Goschka	McManus	Switalski
Brown	Hammerstrom	Patterson	Toy
Cassis	Hardiman	Sanborn	Van Woerkom
Cropsey	Jelinek		

**Nays—16**

Barcia	Cherry	George	Prusi
Basham	Clark-Coleman	Jacobs	Schauer
Bernero	Clarke	Leland	Scott
Brater	Emerson	Olshove	Thomas

**Excused—0**

**Not Voting—0**

In The Chair: President

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

### Protest

Senator Schauer, under his constitutional right of protest (Art. 4, Sec. 18), protested against the adoption of the first conference report on Senate Bill No. 281 and moved that the statement he made during the discussion of the bill be printed as his reasons for voting “no.”

The motion prevailed.

Senator Schauer’s statement is as follows:

I very much appreciated the remarks of the chairwoman of the Transportation Appropriations Subcommittee and chair of the full Appropriations Committee. I happen to have a disagreement over how we ought to approach rail transportation in this state. I ought to say, actually, I have an even bigger disagreement about how we ought to go about attracting jobs to this state because my biggest concern with this bill is that it has the potential to impact our ability to attract at least 600 high-paying jobs to our state, in addition to retaining 100 current jobs. So, in many respects, this is a jobs bill, and we wring our hands a lot about how we improve our economy in this state and what we do to retain and attract jobs. Well, colleagues, this bill is a very important way that we can affect jobs.

I find it interesting that we feel that it is a good way to attract jobs to cut \$1 million from a subsidy that is documented as being necessary by Amtrak. They currently receive \$7.1 million. You and I can do the math. They are paying higher fuel costs, their ridership is up, and I know there is some issue about rail versus passenger bus. That’s a philosophical and policy question. If you have either the Blue Water line, which runs from Port Huron to Chicago, or the Pere Marquette line, which runs from Grand Rapids to Chicago, if either of those go through your district or your constituents ride either of those lines, those lines are in jeopardy under this bill. Amtrak has indicated what it costs for them to continue running these lines, and we are putting those lines at risk.

The other thing we are doing is we are putting at risk the prospect of Michigan attracting the maintenance yard from Indiana. We have a chance to attract 640 high-paid jobs from Indiana to Michigan. They are looking at Iowa and Michigan. It makes economical sense to bring those jobs to Michigan if they are able to continue to afford to run those existing lines in Michigan.

So I am very concerned about how the subcommittee went about it. I probably, like even members of that subcommittee, didn’t see all of the language. I was there, saw one amendment that was offered by Representative Brown, but wasn’t able to see that full language.

I wanted to share these concerns. They are about jobs and how we are using this bill to conduct economic development policy in our state, and also the message that we are sending to the provider of three lines, two of which are subsidized through this budget. So I wanted to raise those concerns. I hope you will take note and consider them when you vote.

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

The motion prevailed.

Senator Johnson’s first statement is as follows:

Obviously, this is the MDOT budget. And let me first explain to the members, but before I do that, I want to thank all of the members who served on the conference committee. It was extremely efficient, very cooperative. We came to lots of agreements, and it was a pleasure working with everyone.

The issues and problems that we face due to reductions in CTF revenue, this is restricted funds, because of the economy, the Governor was forced to issue a revised recommendation that cut the budget another \$5 million in program lines. The conference committee did not support some of the Governor’s recommendations, and I want you to know that we restored \$195,000 to the van pooling; we restored \$700,000 to the terminal development. The development is used to coordinate services between public transit, trains, and private buses like Greyhound and Indian Trails.

With regard to one of the controversial issues, which is Amtrak, and in order to come up with our \$5 million, we took \$1 million away from Amtrak. During the conference committee discussion, Representative Brown offered an amendment. Well, first of all, many of you received phone calls from Congressman Schwarz. Congressman Schwarz is attempting to get 660 Amtrak-related jobs in the Battle Creek area. And he was concerned about our cutting the \$1 million that would cause a problem in terms of getting them into Michigan. On the other hand, they had a couple of—they being the group that wants to come to Michigan—meetings scheduled that they never did follow through on. They were waiting to see what we were going to do with the budget. So Representative Brown came up with an agreement that if the 660 jobs located in Battle Creek or any other site here in Michigan, Amtrak will get the \$1 million.

Passenger transportation service was another area that we took a look at and cut 8.5 FTEs and \$895,000.

The other controversial issue is economic development and enhancement services. Now this is where I hope you are all paying attention because, boy, have you been manipulated and misinformed. Currently, the economic development and enhancement services line item is \$867,500. Got that? \$867,500. The Governor recommended a 33 percent



increase to that line item. Well, we could ill afford to do that under the circumstances we were dealing with. So we said, "Well, we can see the need for an increase, but we sure can't afford a 32 or 33 percent increase." So instead we gave them what is affectionately known from my first year on Appropriations as a decrease in the increase. We gave them a 14 percent increase. So they have gone from \$867,500 to \$985,900, but still they call our local units of government, etc. and misinform them and frantic, "They are cutting us, they're cutting us, they're cutting us."

The other thing that we did is to gut the information technology line. We cut the information technology line by \$2.5 million to put this money back into the roads and bridges.

I think that pretty much sums up those issues that most of you have had concerns about. And I would appreciate your support on what I perceive to be a pretty fair budget all around, even though I know MDOT thinks it is perfect and it should get everything it wants.

Senator Johnson's second statement is as follows:

I'm sorry for rising for a second time, but I need to go back and address a little bit further that economic development and enhancement service line. The reason I am doing so is, you know, the legislative process requires that when the department moves money around, they come to us for transfers. When they need more money or they need again to move some things around within the General Fund, they come to us for a supplemental. If I remember the Constitution correctly, the administration proposes; the Legislature disposes. I never received a transfer for the dollars that went into the economic development and enhancement service line. I never received a transfer.

I'm open to transfers and every one of you on both sides of the aisle know that. And I am open to putting this money into a supplemental if need be, but the fact of the matter is, that never occurred in the first place. Those federal dollars came in. Now they want General Fund dollars and it's like where did this come from?

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, 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 amendments, the following bill:

#### **House Bill No. 4803, entitled**

A bill to amend 1976 PA 451, entitled "The revised school code," by amending section 1284b (MCL 380.1284b), as amended by 2001 PA 167.

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

1. Amend page 2, line 1, after "IN" by striking out "SUBSECTION (3)" and inserting "SUBSECTIONS (3) AND (4)".

2. Amend page 2, line 4, after "ACADEMY'S" by striking out "SCHOOL YEAR DOES NOT BEGIN" and inserting "PUPILS ARE NOT REQUIRED TO BEGIN A SCHOOL YEAR".

3. Amend page 2, following line 15, by inserting:

**"(4) IF A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY IS OPERATING A YEAR-ROUND SCHOOL OR PROGRAM AS OF THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SUBSECTION (2), THEN SUBSECTION (2) DOES NOT APPLY TO THAT SCHOOL OR PROGRAM. IF A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY BEGINS OPERATING A YEAR-ROUND SCHOOL OR PROGRAM AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SUBSECTION (2), THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY MAY APPLY TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION FOR A WAIVER FROM THE REQUIREMENTS OF SUBSECTION (2). UPON APPLICATION, IF THE SUPERINTENDENT OF PUBLIC INSTRUCTION DETERMINES THAT A SCHOOL OR PROGRAM IS A BONA FIDE YEAR-ROUND SCHOOL OR PROGRAM ESTABLISHED FOR EDUCATIONAL REASONS, THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL GRANT THE WAIVER. THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL ESTABLISH STANDARDS FOR DETERMINING A BONA FIDE YEAR-ROUND SCHOOL OR PROGRAM FOR THE PURPOSES OF THIS SUBSECTION."** and renumbering the remaining subsection.

The Senate agreed to the amendments recommended by the Committee of the Whole, and the bill as amended 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:

**House Bill No. 4803**

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

The following bill was read a third time:

**House Bill No. 4803, entitled**

A bill to amend 1976 PA 451, entitled "The revised school code," by amending section 1284b (MCL 380.1284b), as amended by 2001 PA 167.

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. 420**

**Yeas—21**

Allen	Cropsey	Jelinek	Sikkema
Bernero	Garcia	Johnson	Stamas
Birkholz	Gilbert	Kuipers	Switalski
Bishop	Goschka	McManus	Thomas
Brown	Hardiman	Sanborn	Van Woerkom
Cassis			

**Nays—17**

Barcia	Clarke	Jacobs	Prusi
Basham	Emerson	Leland	Schauer
Brater	George	Olshove	Scott
Cherry	Hammerstrom	Patterson	Toy
Clark-Coleman			

**Excused—0**

**Not Voting—0**

In The Chair: President

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

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

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

"An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and clarify the laws relating to elementary and secondary education; to provide for the organization, regulation, and maintenance of schools, school districts, public school academies, intermediate school districts, and other public school entities; to prescribe rights, powers, duties, and privileges of schools, school districts, public school academies, intermediate school districts, and other public school entities; to provide for the regulation of school teachers and certain other school employees; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe

the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts of acts.”

The Senate agreed to the full title.

### Protest

Senator Scott, under her constitutional right of protest (Art. 4, Sec. 18), protested against the passage of House Bill No. 4803 and moved that the statement she made during the discussion of the bill be printed as her reasons for voting “no.”

The motion prevailed.

Senator Scott’s statement is as follows:

I’ve heard more on this, as the Senator who preceded me said, for us to think about it. Well, I have thought about it and I think she is right. Just this morning, I received several e-mails from my school districts and they have indicated some of the things that I had heard earlier. They have confirmed that a lot of the athletic things start early. This would be a hardship on these schools. This way if there is local control, then everyone has to make that decision for themselves for what’s going to be best for their school districts.

I would hope that we would look at that. You know what happens when we take local controls away; we do know in Detroit what happens. I would certainly ask us not to support this at this time. I don’t think it will be the best for our school district and our local control communities.

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

The motion prevailed.

Senator Switalski’s statement is as follows:

This is a very tough issue to decide. It is hard to balance local control on the one hand with tradition on the other. But, for me, it is not about economic development. It is not about day care. It is about kids getting a vacation—kids getting a chance to grow over the summer, recreate, and re-create themselves.

By coincidence, our colleagues are here from Britain and they have a much shorter summer vacation over there—about six weeks or so. I think they’d be the first to admit it’s because they have lousy summer weather. But, for me, a post-Labor Day vote is a vote for kids.

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. 566, entitled**

A bill to authorize the state administrative board to convey certain state owned property in Wayne county; to prescribe conditions for the conveyance; and to provide for disposition of revenue derived from the conveyance.

Substitute (S-3).

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

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

#### **House Bill No. 4082, entitled**

A bill to amend 1949 PA 300, entitled “Michigan vehicle code,” by amending sections 310, 806, and 809 (MCL 257.310, 257.806, and 257.809), section 310 as amended by 2004 PA 495, section 806 as amended by 2003 PA 152, and section 809 as amended by 1987 PA 238.

Substitute (S-3).

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

1. Amend page 11, line 1, after “**SEPTEMBER 30,**” by striking out “**2005**” and inserting “**2006**”.
2. Amend page 11, line 5, after “**1,**” by striking out “**2005**” and inserting “**2006**”.

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

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:

**House Bill No. 4082**

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

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

**House Bill No. 4469, entitled**

A bill to amend 1978 PA 368, entitled “Public health code,” by amending section 10104 (MCL 333.10104), as amended by 2003 PA 62.

The above bill was read a third time.

The question being on the passage of the bill,

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

**Roll Call No. 421**

**Yeas—38**

Allen	Clark-Coleman	Jacobs	Sanborn
Barcia	Clarke	Jelinek	Schauer
Basham	Cropsey	Johnson	Scott
Bernero	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—0**

**Not Voting—0**

In The Chair: President

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

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

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

“An act to protect and promote the public health; to codify, revise, consolidate, classify, and add to the laws relating to public health; to provide for the prevention and control of diseases and disabilities; to provide for the classification, administration, regulation, financing, and maintenance of personal, environmental, and other health services and activities; to create or continue, and prescribe the powers and duties of, departments, boards, commissions, councils,

committees, task forces, and other agencies; to prescribe the powers and duties of governmental entities and officials; to regulate occupations, facilities, and agencies affecting the public health; to regulate health maintenance organizations and certain third party administrators and insurers; to provide for the imposition of a regulatory fee; to provide for the levy of taxes against certain health facilities or agencies; to promote the efficient and economical delivery of health care services, to provide for the appropriate utilization of health care facilities and services, and to provide for the closure of hospitals or consolidation of hospitals or services; to provide for the collection and use of data and information; to provide for the transfer of property; to provide certain immunity from liability; to regulate and prohibit the sale and offering for sale of drug paraphernalia under certain circumstances; to provide for the implementation of federal law; to provide for penalties and remedies; to provide for sanctions for violations of this act and local ordinances; to provide for an appropriation and supplements; to repeal certain acts and parts of acts; to repeal certain parts of this act; and to repeal certain parts of this act on specific dates.”.

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 4470, entitled**

A bill to amend 1949 PA 300, entitled “Michigan vehicle code,” by amending sections 303, 307, and 812 (MCL 257.303, 257.307, and 257.812), sections 303 and 812 as amended by 2004 PA 362 and section 307 as amended by 2004 PA 502.

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. 422**

**Yeas—38**

Allen	Clark-Coleman	Jacobs	Sanborn
Barcia	Clarke	Jelinek	Schauer
Basham	Cropsey	Johnson	Scott
Bernero	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—0**

**Not Voting—0**

In The Chair: President

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

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

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

A bill to amend 1949 PA 300, entitled “An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide

for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of owners and operators of vehicles and service of process on residents and nonresidents; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to impose liability upon the state or local agencies; to provide appropriations for certain purposes; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date," by amending sections 303, 307, and 812 (MCL 257.303, 257.307, and 257.812), sections 303 and 812 as amended by 2004 PA 362 and section 307 as amended by 2004 PA 502, and by adding section 252c; and to repeal acts and parts of acts.

The amendment to the title was adopted.

The Senate agreed to the title as amended.

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

**House Bill No. 4082, entitled**

A bill to amend 1949 PA 300, entitled "An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of owners and operators of vehicles and service of process on residents and nonresidents; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to impose liability upon the state or local agencies; to provide appropriations for certain purposes; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date," by amending sections 310, 801, 806, 809, and 810b (MCL 257.310, 257.801, 257.806, 257.809, and 257.810b), section 310 as amended by 2004 PA 495, section 801 as amended by 2004 PA 427, section 806 as amended by 2003 PA 152, section 809 as amended by 1987 PA 238, and section 810b as amended by 2004 PA 52.

The above bill was read a third time.

The question being on the passage of the bill,

Senator Prusi offered the following amendments:

- 1. Amend page 8, following line 27, by inserting:

"Sec. 801. (1) The secretary of state shall collect the following taxes at the time of registering a vehicle, which shall exempt the vehicle from all other state and local taxation, except the fees and taxes provided by law to be paid by certain carriers operating motor vehicles and trailers under the motor carrier act, 1933 PA 254, MCL 475.1 to 479.43; the taxes imposed by the motor carrier fuel tax act, 1980 PA 119, MCL 207.211 to 207.234; and except as otherwise provided by this act:

(a) For a motor vehicle, including a motor home, except as otherwise provided, and a pickup truck or van that weighs not more than 8,000 pounds, except as otherwise provided, according to the following schedule of empty weights:

Empty weights	Tax
0 to 3,000 pounds . . . . .	\$29.00
3,001 to 3,500 pounds . . . . .	32.00
3,501 to 4,000 pounds . . . . .	37.00
4,001 to 4,500 pounds . . . . .	43.00
4,501 to 5,000 pounds . . . . .	47.00
5,001 to 5,500 pounds . . . . .	52.00
5,501 to 6,000 pounds . . . . .	57.00
6,001 to 6,500 pounds . . . . .	62.00
6,501 to 7,000 pounds . . . . .	67.00
7,001 to 7,500 pounds . . . . .	71.00
7,501 to 8,000 pounds . . . . .	77.00
8,001 to 8,500 pounds . . . . .	81.00
8,501 to 9,000 pounds . . . . .	86.00
9,001 to 9,500 pounds . . . . .	91.00
9,501 to 10,000 pounds . . . . .	95.00
over 10,000 pounds . . . . .	\$ 0.90 per 100 pounds
of empty weight	

~~On October 1, 1983, and October 1, 1984, the tax assessed under this subdivision shall be annually revised for the registrations expiring on the appropriate October 1 or after that date by multiplying the tax assessed in the preceding fiscal year times the personal income of Michigan for the preceding calendar year divided by the personal income of Michigan for the calendar year that preceded that calendar year. In performing the calculations under this subdivision, the secretary of state shall use the spring preliminary report of the United States department of commerce or its successor agency.~~ A van that is owned by an individual who uses a wheelchair or by an individual who transports a resident of his or her household who uses a wheelchair and for which registration plates are issued under section 803d shall be assessed at the rate of 50% of the tax provided for in this subdivision.

(b) For a trailer coach attached to a motor vehicle, the tax shall be assessed as provided in subdivision (l). A trailer coach not under 1959 PA 243, MCL 125.1035 to 125.1043, and while located on land otherwise assessable as real property under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157, if the trailer coach is used as a place of habitation, and whether or not permanently affixed to the soil, is not exempt from real property taxes.

(c) For a road tractor, truck, or truck tractor owned by a farmer and used exclusively in connection with a farming operation, including a farmer hauling livestock or farm equipment for other farmers for remuneration in kind or in labor, but not for money, or used for the transportation of the farmer and the farmer’s family, and not used for hire, 74 cents per 100 pounds of empty weight of the road tractor, truck, or truck tractor. If the road tractor, truck, or truck tractor owned by a farmer is also used for a nonfarming operation, the farmer is subject to the highest registration tax applicable to the nonfarm use of the vehicle but is not subject to more than 1 tax rate under this act.

(d) For a road tractor, truck, or truck tractor owned by a wood harvester and used exclusively in connection with the wood harvesting operations or a truck used exclusively to haul milk from the farm to the first point of delivery, 74 cents per 100 pounds of empty weight of the road tractor, truck, or truck tractor. A registration secured by payment of the ~~fee as~~ **TAX** prescribed in this subdivision continues in full force and effect until the regular expiration date of the registration. As used in this subdivision, “wood harvester” includes the person or persons hauling and transporting raw materials in the form produced at the harvest site. As used in this subdivision, “wood harvesting operations” does not include the transportation of processed lumber, Christmas trees, or processed firewood for a profit making venture.

(e) For a hearse or ambulance used exclusively by a licensed funeral director in the general conduct of the licensee’s funeral business, including a hearse or ambulance whose owner is engaged in the business of leasing or renting the hearse or ambulance to others, \$1.17 per 100 pounds of the empty weight of the hearse or ambulance.

(f) For a vehicle owned and operated by this state, a state institution, a municipality, a privately incorporated, nonprofit volunteer fire department, or a nonpublic, nonprofit college or university, \$5.00 per plate. A registration plate issued under this subdivision expires on June 30 of the year in which new registration plates are reissued for all vehicles by the secretary of state.

(g) For a bus including a station wagon, carryall, or similarly constructed vehicle owned and operated by a nonprofit parents’ transportation corporation used for school purposes, parochial school or society, church Sunday school, or any other grammar school, or by a nonprofit youth organization or nonprofit rehabilitation facility; or a motor vehicle owned and operated by a senior citizen center, \$10.00 per ~~set~~ **PLATE**, if the bus, station wagon, carryall, or similarly constructed vehicle or motor vehicle is designated by proper signs showing the organization operating the vehicle.

(h) For a vehicle owned by a nonprofit organization and used to transport equipment for providing dialysis treatment to children at camp; for a vehicle owned by the civil air patrol, as organized under 36 USC 40301 to 40307, \$10.00 per plate, if the vehicle is designated by a proper sign showing the civil air patrol’s name; for a vehicle owned and operated by a nonprofit veterans center; for a vehicle owned and operated by a nonprofit recycling center or a federally recognized nonprofit conservation organization; for a motor vehicle having a truck chassis and a locomotive or ship’s body that is owned by a nonprofit veterans organization and used exclusively in parades and civic events; or for an emergency support vehicle used exclusively for emergencies and owned and operated by a federally recognized nonprofit charitable organization, \$10.00 per plate.

(i) For each truck owned and operated free of charge by a bona fide ecclesiastical or charitable corporation, or red cross, girl scout, or boy scout organization, 65 cents per 100 pounds of the empty weight of the truck.

(j) For each truck, weighing 8,000 pounds or less, and not used to tow a vehicle, for each privately owned truck used to tow a trailer for recreational purposes only and not involved in a profit making venture, and for each vehicle designed and used to tow a mobile home or a trailer coach, except as provided in subdivision (b), \$38.00 or an amount computed according to the following schedule of empty weights, whichever is greater:

Empty weights . . . . .	Per 100 pounds
0 to 2,500 pounds . . . . .	\$1.40
2,501 to 4,000 pounds . . . . .	1.76
4,001 to 6,000 pounds . . . . .	2.20
6,001 to 8,000 pounds . . . . .	2.72
8,001 to 10,000 pounds . . . . .	3.25
10,001 to 15,000 pounds . . . . .	3.77
15,001 pounds and over . . . . .	4.39

If the tax required under subdivision (p) for a vehicle of the same model year with the same list price as the vehicle for which registration is sought under this subdivision is more than the tax provided under the preceding provisions of this subdivision for an identical vehicle, the tax required under this subdivision is not less than the tax required under subdivision (p) for a vehicle of the same model year with the same list price.

(k) For each truck weighing 8,000 pounds or less towing a trailer or any other combination of vehicles and for each truck weighing 8,001 pounds or more, road tractor or truck tractor, except as provided in subdivision (j) according to the following schedule of elected gross weights:

Elected gross weight . . . . .	Tax
0 to 24,000 pounds . . . . .	\$491.00
24,001 to 26,000 pounds . . . . .	558.00
26,001 to 28,000 pounds . . . . .	558.00
28,001 to 32,000 pounds . . . . .	649.00
32,001 to 36,000 pounds . . . . .	744.00
36,001 to 42,000 pounds . . . . .	874.00
42,001 to 48,000 pounds . . . . .	1,005.00
48,001 to 54,000 pounds . . . . .	1,135.00
54,001 to 60,000 pounds . . . . .	1,268.00
60,001 to 66,000 pounds . . . . .	1,398.00
66,001 to 72,000 pounds . . . . .	1,529.00
72,001 to 80,000 pounds . . . . .	1,660.00
80,001 to 90,000 pounds . . . . .	1,793.00
90,001 to 100,000 pounds . . . . .	2,002.00
100,001 to 115,000 pounds . . . . .	2,223.00
115,001 to 130,000 pounds . . . . .	2,448.00
130,001 to 145,000 pounds . . . . .	2,670.00
145,001 to 160,000 pounds . . . . .	2,894.00
over 160,000 pounds . . . . .	3,117.00

For each commercial vehicle registered under this subdivision, \$15.00 shall be deposited in a truck safety fund to be expended for the purposes prescribed in section 25 of 1951 PA 51, MCL 247.675.

If a truck or road tractor without trailer is leased from an individual owner-operator, the lessee, whether a person, firm, or corporation, shall pay to the owner-operator 60% of the tax prescribed in this subdivision for the truck tractor or road tractor at the rate of 1/12 for each month of the lease or arrangement in addition to the compensation the owner-operator is entitled to for the rental of his or her equipment.

(l) For each pole trailer, semitrailer, trailer coach, or trailer, the tax shall be assessed according to the following schedule of empty weights:

Empty weights . . . . .	Tax
0 to 2,499 pounds . . . . .	\$75.00
2,500 to 9,999 pounds . . . . .	200.00
10,000 pounds and over . . . . .	300.00

The registration plate issued under this subdivision expires only when the secretary of state reissues a new registration plate for all trailers. If the secretary of state reissues a new registration plate for all trailers, a person who has once paid the tax for a vehicle under this subdivision is not required to pay the tax for that vehicle a second time, but is required to pay only the cost of the reissued plate at the rate provided in section 804(2) for a standard plate. A registration plate issued under this subdivision is nontransferable.

(m) For each commercial vehicle used for the transportation of passengers for hire except for a vehicle for which a payment is made under 1960 PA 2, MCL 257.971 to 257.972, according to the following schedule of empty weights:

Empty weights . . . . .	Per 100 pounds
0 to 4,000 pounds . . . . .	\$1.76
4,001 to 6,000 pounds . . . . .	2.20
6,001 to 10,000 pounds . . . . .	2.72
10,001 pounds and over . . . . .	3.25

(n) For each motorcycle . . . . . \$23.00

On October 1, 1983, and October 1, 1984, the tax assessed under this subdivision shall be annually revised for the registrations expiring on the appropriate October 1 or after that date by multiplying the tax assessed in the preceding fiscal year times the personal income of Michigan for the preceding calendar year divided by the personal income of Michigan for the calendar year that preceded that calendar year. In performing the calculations under this subdivision, the secretary of state shall use the spring preliminary report of the United States department of commerce or its successor agency.



Beginning January 1, 1984, the registration tax for each motorcycle is increased by \$3.00. The \$3.00 increase is not part of the tax assessed under this subdivision for the purpose of the annual October 1 revisions but is in addition to the tax assessed as a result of the annual October 1 revisions. Beginning January 1, 1984, \$3.00 of each motorcycle fee shall be placed in a motorcycle safety fund in the state treasury and shall be used only for funding the motorcycle safety education program as provided for under sections 312b and 811a.

(o) For each truck weighing 8,001 pounds or more, road tractor, or truck tractor used exclusively as a moving van or part of a moving van in transporting household furniture and household effects or the equipment or those engaged in conducting carnivals, at the rate of 80% of the schedule of elected gross weights in subdivision (k) as modified by the operation of that subdivision.

(p) After September 30, 1983, each motor vehicle of the 1984 or a subsequent model year as shown on the application required under section 217 that has not been previously subject to the tax rates of this section and that is of the motor vehicle category otherwise subject to the tax schedule described in subdivision (a), and each low-speed vehicle according to the following schedule based upon registration periods of 12 months:

(i) ~~Except as otherwise provided in this subdivision, for~~ **FOR** the first registration ~~that is not a transfer registration under section 809~~ and for the first registration after a transfer registration under section 809, according to the following schedule based on the vehicle's list price:

List Price . . . . .	Tax
\$ 0 - \$ 6,000.00 . . . . .	\$30.00
More than \$ 6,000.00 - \$ 7,000.00 . . . . .	\$33.00
More than \$ 7,000.00 - \$ 8,000.00 . . . . .	\$38.00
More than \$ 8,000.00 - \$ 9,000.00 . . . . .	\$43.00
More than \$ 9,000.00 - \$ 10,000.00 . . . . .	\$48.00
More than \$ 10,000.00 - \$ 11,000.00 . . . . .	\$53.00
More than \$ 11,000.00 - \$ 12,000.00 . . . . .	\$58.00
More than \$ 12,000.00 - \$ 13,000.00 . . . . .	\$63.00
More than \$ 13,000.00 - \$ 14,000.00 . . . . .	\$68.00
More than \$ 14,000.00 - \$ 15,000.00 . . . . .	\$73.00
More than \$ 15,000.00 - \$ 16,000.00 . . . . .	\$78.00
More than \$ 16,000.00 - \$ 17,000.00 . . . . .	\$83.00
More than \$ 17,000.00 - \$ 18,000.00 . . . . .	\$88.00
More than \$ 18,000.00 - \$ 19,000.00 . . . . .	\$93.00
More than \$ 19,000.00 - \$ 20,000.00 . . . . .	\$98.00
More than \$ 20,000.00 - \$ 21,000.00 . . . . .	\$103.00
More than \$ 21,000.00 - \$ 22,000.00 . . . . .	\$108.00
More than \$ 22,000.00 - \$ 23,000.00 . . . . .	\$113.00
More than \$ 23,000.00 - \$ 24,000.00 . . . . .	\$118.00
More than \$ 24,000.00 - \$ 25,000.00 . . . . .	\$123.00
More than \$ 25,000.00 - \$ 26,000.00 . . . . .	\$128.00
More than \$ 26,000.00 - \$ 27,000.00 . . . . .	\$133.00
More than \$ 27,000.00 - \$ 28,000.00 . . . . .	\$138.00
More than \$ 28,000.00 - \$ 29,000.00 . . . . .	\$143.00
More than \$ 29,000.00 - \$ 30,000.00 . . . . .	\$148.00

More than \$30,000.00, the tax of \$148.00 is increased by \$5.00 for each \$1,000.00 increment or fraction of a \$1,000.00 increment over \$30,000.00. If a current tax increases or decreases as a result of 1998 PA 384, only a vehicle purchased or transferred after January 1, 1999 shall be assessed the increased or decreased ~~fee~~ **TAX**.

(ii) For the second registration, 90% of the tax assessed under subparagraph (i).

(iii) For the third registration, 90% of the tax assessed under subparagraph (ii).

(iv) For the fourth and subsequent registrations, 90% of the tax assessed under subparagraph (iii).

For a vehicle of the 1984 or a subsequent model year that has been previously registered by a person other than the person applying for registration or for a vehicle of the 1984 or a subsequent model year that has been previously registered in another state or country and is registered for the first time in this state, the tax under this subdivision shall be determined by subtracting the model year of the vehicle from the calendar year for which the registration is sought. If the result is zero or a negative figure, the first registration tax shall be paid. If the result is 1, 2, or 3 or more, then, respectively, the second, third, or subsequent registration tax shall be paid. A van that is owned by an individual who uses a wheelchair or by an individual who transports a resident of his or her household who uses a wheelchair and for which registration plates are issued under section 803d shall be assessed at the rate of 50% of the tax provided for in this subdivision.

(q) For a wrecker, \$200.00.

(r) When the secretary of state computes a tax under this section, a computation that does not result in a whole dollar figure shall be rounded to the next lower whole dollar when the computation results in a figure ending in 50 cents or less and shall be rounded to the next higher whole dollar when the computation results in a figure ending in 51 cents or more, unless specific taxes are specified, and the secretary of state may accept the manufacturer's shipping weight of the vehicle fully equipped for the use for which the registration application is made. If the weight is not correctly stated or is not satisfactory, the secretary of state shall determine the actual weight. Each application for registration of a vehicle under subdivisions (j) and (m) shall have attached to the application a scale weight receipt of the vehicle fully equipped as of the time the application is made. The scale weight receipt is not necessary if there is presented with the application a registration receipt of the previous year that shows on its face the weight of the motor vehicle as registered with the secretary of state and that is accompanied by a statement of the applicant that there has not been a structural change in the motor vehicle that has increased the weight and that the previous registered weight is the true weight.

(2) A manufacturer is not exempted under this act from paying ad valorem taxes on vehicles in stock or bond, except on the specified number of motor vehicles registered. A dealer is exempt from paying ad valorem taxes on vehicles in stock or bond.

(3) Until October 1, 2009, the tax for a vehicle with an empty weight over 10,000 pounds imposed under subsection (1)(a) and the taxes imposed under subsection (1)(c), (d), (e), (f), (i), (j), (m), (o), and (p) are each increased as follows:

(a) A regulatory fee of \$2.25 that shall be credited to the traffic law enforcement and safety fund created in section 819a and used to regulate highway safety.

(b) A fee of \$5.75 that shall be credited to the transportation administration collection fund created in section 810b.

(4) If a tax required to be paid under this section is not received by the secretary of state on or before the expiration date of the registration plate, the secretary of state shall collect a late fee of \$10.00 for each registration renewed after the expiration date. An application for a renewal of a registration using the regular mail and postmarked before the expiration date of that registration shall not be assessed a late fee. The late fee collected under this subsection shall be deposited into the general fund.

(5) As used in this section:

(a) "Gross proceeds" means that term as defined in section 1 of the general sales tax act, 1933 PA 167, MCL 205.51, and includes the value of the motor vehicle used as part payment of the purchase price as that value is agreed to by the parties to the sale, as evidenced by the signed agreement executed under section 251.

(b) "List price" means the manufacturer's suggested base list price as published by the secretary of state, or the manufacturer's suggested retail price as shown on the label required to be affixed to the vehicle under ~~section 2 of the automobile information disclosure act~~, 15 USC 1232, if the secretary of state has not at the time of the sale of the vehicle published a manufacturer's suggested retail price for that vehicle, or the purchase price of the vehicle if the manufacturer's suggested base list price is unavailable from the sources described in this subdivision.

(c) "Purchase price" means the gross proceeds received by the seller in consideration of the sale of the motor vehicle being registered."

2. Amend page 9, line 1, after "2009," by inserting "**ALL FEES COLLECTED UNDER THIS SECTION, INCLUDING, BUT NOT LIMITED TO,**".

3. Amend page 9, line 1, after "\$10.00" by inserting a comma.

4. Amend page 9, line 9, after "2004" by striking out the balance of the line through "The" on line 14 and inserting "**AND THE**".

5. Amend page 10, line 2, after "(1)" by striking out "An" and inserting "**UNTIL OCTOBER 1, 2009, AN**".

6. Amend page 10, line 4, after "to" by striking out "that".

7. Amend page 10, line 4, after "section" by inserting "**801(1)(A) OR (P)**".

8. Amend page 10, line 4, after "\$8.00." by striking out the balance of the line through "refunded." on line 11 and inserting:

**"(2) IN ADDITION TO THE \$8.00 FEE DESCRIBED IN SUBSECTION (1), IF THE 12-MONTH REGISTRATION FEE FOR THE VEHICLE TO WHICH THE PLATE IS BEING TRANSFERRED IS GREATER THAN THE 12-MONTH REGISTRATION FEE PAID FOR THE VEHICLE FROM WHICH THE PLATE WAS REMOVED, THEN THE PRORATED DIFFERENCE IN FEE SHALL BE PAID BY THE APPLICANT. IF THE 12-MONTH REGISTRATION FEE FOR THE VEHICLE TO WHICH THE PLATE IS BEING TRANSFERRED IS LESS THAN THAT PAID FOR THE 12-MONTH REGISTRATION FOR THE VEHICLE FROM WHICH THE PLATE IS REMOVED, THEN THE PRORATED DIFFERENCE OF THE UNUSED FEE SHALL BE REFUNDED TO THE APPLICANT. THIS SUBSECTION DOES NOT APPLY AFTER OCTOBER 1, 2009.**

**(3)**" and renumbering the remaining subsections.

9. Amend page 10, line 12, after "this" by striking out "subsection" and inserting "**SECTION**".

10. Amend page 10, line 18, after "\$8.00," by striking out the balance of the line through "and" on line 20.

11. Amend page 10, line 22, after the first "the" by striking out "plate" and inserting "**12-MONTH REGISTRATION**".

12. Amend page 10, line 23, after the first “the” by striking out “difference” and inserting “**PRORATED DIFFERENCE OF THE FEE**”.

13. Amend page 10, line 24, after the second “the” by inserting “**12-MONTH REGISTRATION**”.

14. Amend page 10, line 25, after “for” by inserting “**THE 12-MONTH**”.

15. Amend page 10, line 25, after the second “the” by striking out “registration” and inserting “**PLATE**”.

16. Amend page 10, line 26, after “the” by striking out “difference shall not” and inserting “**PRORATED DIFFERENCE OF THE UNUSED FEE SHALL**”.

17. Amend page 10, line 27, after “(3)” by striking out “A” and inserting “**UNTIL OCTOBER 1, 2009, THE \$8.00**”.

18. Amend page 11, line 1, after “**2004**” by striking out the balance of the line.

19. Amend page 11, line 3, after “**810B.**” by striking out the balance of the line through “**2005**” on line 5 and inserting “**BEGINNING OCTOBER 1, 2005 UNTIL OCTOBER 1, 2009, A PRORATED TRANSFER OF REGISTRATION FEE PAID BY AN APPLICANT UNDER SUBSECTION (1)**”.

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

Senator Schauer requested the yeas and nays.

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

The amendments were not adopted, a majority of the members serving not voting therefor, as follows:

**Roll Call No. 423**

**Yeas—16**

Barcia	Cherry	Jacobs	Schauer
Basham	Clark-Coleman	Leland	Scott
Bernero	Clarke	Olshove	Switalski
Brater	Emerson	Prusi	Thomas

**Nays—22**

Allen	Garcia	Jelinek	Sanborn
Birkholz	George	Johnson	Sikkema
Bishop	Gilbert	Kuipers	Stamas
Brown	Goschka	McManus	Toy
Cassis	Hammerstrom	Patterson	Van Woerkom
Cropsey	Hardiman		

**Excused—0**

**Not Voting—0**

In The Chair: President

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. 424**

**Yeas—36**

Allen	Clark-Coleman	Hardiman	Sanborn
Barcia	Clarke	Jacobs	Schauer
Bernero	Cropsey	Jelinek	Scott
Birkholz	Emerson	Johnson	Sikkema
Bishop	Garcia	Kuipers	Stamas

Brater	George	Leland	Switalski
Brown	Gilbert	McManus	Thomas
Cassis	Goschka	Olshove	Toy
Cherry	Hammerstrom	Prusi	Van Woerkom

**Nays—2**

Basham	Patterson
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**Excused—0****Not Voting—0**

In The Chair: President

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

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

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

“An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of owners and operators of vehicles and service of process on residents and nonresidents; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to impose liability upon the state or local agencies; to provide appropriations for certain purposes; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date.”

The Senate agreed to the full title.

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

**Senate Bill No. 248, entitled**

A bill to amend 1949 PA 300, entitled “Michigan vehicle code,” by amending sections 217d, 801, 811d, 811e, 811f, 811g, 811h, 811i, 811j, 811k, 811l, and 811n (MCL 257.217d, 257.801, 257.811d, 257.811e, 257.811f, 257.811g, 257.811h, 257.811i, 257.811j, 257.811k, 257.811l, and 257.811n), sections 217d and 811h as amended by 2003 PA 152, section 801 as amended by 2004 PA 427, sections 811d, 811f, and 811g as added by 2000 PA 77, section 811e as amended by 2001 PA 124, section 811i as added by 2000 PA 74, section 811j as added by 2000 PA 71, section 811k as added by 2000 PA 73, section 811l as added by 2000 PA 70, and section 811n as added by 2000 PA 79, and by adding sections 811m, 811o, and 811p; and to repeal acts and parts of acts.

The above bill was read a third time.

The question being on the passage of the bill,

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

**Roll Call No. 425****Yeas—24**

Allen	Garcia	Jelinek	Sanborn
Birkholz	George	Johnson	Sikkema
Bishop	Gilbert	Kuipers	Stamas

Brown  
Cassis  
Cropsey

Goschka  
Hammerstrom  
Hardiman

McManus  
Olshove  
Patterson

Thomas  
Toy  
Van Woerkom

**Nays—14**

Barcia  
Basham  
Bernero  
Brater

Cherry  
Clark-Coleman  
Clarke  
Emerson

Jacobs  
Leland  
Prusi

Schauer  
Scott  
Switalski

**Excused—0**

**Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

**Protest**

Senator Leland, under his constitutional right of protest (Art. 4, Sec. 18), protested against the passage of Senate Bill No. 248 and moved that the statement he made during the discussion of the bill be printed as his reasons for voting “no.”

The motion prevailed.

Senator Leland’s statement is as follows:

I rise to urge my colleagues to vote “no” on Senate Bill No. 248. We have been here before. You may recall Senate Bill No. 785 from last session. It passed the Legislature with much opposition and was vetoed by the Governor. This bill stands to suffer the same fate if we take the time to move it through the process.

Since it seems we are bound to do just that, let me remind you why this is not a good piece of legislation. First of all, the State Police are opposed to this legislation. They are concerned that the unlimited number of fundraising plates this bill allows could make it increasingly difficult to recognize and identify license plates for police officers and incident witnesses. Further, not only does this bill establish no limit on the number of new plates, it also provides no method for recall of plates that are discontinued under the imposed sales quota.

How many Michigan plates do we want? I recognize the need for fundraising by nonprofit organizations. However, if an interest group elects to advertise on the back of a car, they already have the option with bumper stickers. They can also market vanity plates to be attached to the front of the vehicle.

Another reason this legislation is not appropriate is it would subject the current state-sponsored plates to sales quotas established in the bill.

We have plates for all the state universities because the courts concluded that we need to have equality in offering fundraising plates. If we start to drop off some and not others, then we would have abolished this equality standard.

Finally, in current practice, all license plates except for the American Pride plate are funding state entities. The bill establishes state-sponsored license plates for nonprofits, thus putting a stamp of state approval on some nonprofits, yet denying the endorsement to all others.

So, again, I urge my colleagues to vote “no” on Senate Bill No. 248.

The following bill was read a third time:

**House Bill No. 4963, entitled**

A bill to amend 2000 PA 77, entitled “An act to amend 1949 PA 300, entitled “An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the

licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of owners and operators of vehicles and service of process on residents and nonresidents; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date," by amending sections 625, 803*l*, 804, and 904 (MCL 257.625, 257.803*l*, 257.804, and 257.904), sections 625 and 904 as amended by 1999 PA 73, 803*l* as amended by 1998 PA 68, and section 804 as amended by 1995 PA 129, and by adding sections 6d, 17b, 30b, 811d, 811e, 811f, 811g, and 811h; and to repeal acts and parts of acts," by repealing enacting section 1.

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. 426**

**Yeas—38**

Allen	Clark-Coleman	Jacobs	Sanborn
Barcia	Clarke	Jelinek	Schauer
Basham	Cropsey	Johnson	Scott
Bernero	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—0**

**Not Voting—0**

In The Chair: President

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

The following bill was read a third time:

**Senate Bill No. 423, entitled**

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending section 16p of chapter XVII (MCL 777.16p), as amended by 2000 PA 279.

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. 427**

**Yeas—38**

Allen	Clark-Coleman	Jacobs	Sanborn
Barcia	Clarke	Jelinek	Schauer
Basham	Cropsey	Johnson	Scott

Bernero	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—0**

**Not Voting—0**

In The Chair: President

The Senate agreed to the title of the bill.

The following bill was read a third time:

**House Bill No. 4673, entitled**

A bill to amend 1931 PA 328, entitled “The Michigan penal code,” (MCL 750.1 to 750.568) by adding section 317a.

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. 428**

**Yeas—38**

Allen	Clark-Coleman	Jacobs	Sanborn
Barcia	Clarke	Jelinek	Schauer
Basham	Cropsey	Johnson	Scott
Bernero	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—0**

**Not Voting—0**

In The Chair: President

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

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

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

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 4865, entitled**

A bill to amend 1931 PA 328, entitled “The Michigan penal code,” (MCL 750.1 to 750.568) by adding section 217f.

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. 429**

**Yeas—38**

Allen	Clark-Coleman	Jacobs	Sanborn
Barcia	Clarke	Jelinek	Schauer
Basham	Cropsey	Johnson	Scott
Bernero	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—0**

**Not Voting—0**

In The Chair: President

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

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

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

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

The Senate agreed to the full title.

The following bill was read a third time:

**House Bill No. 4866, entitled**

A bill to amend 1927 PA 175, entitled “The code of criminal procedure,” by amending section 16l of chapter XVII (MCL 777.16l), as amended by 2003 PA 16.

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. 430****Yeas—38**

Allen	Clark-Coleman	Jacobs	Sanborn
Barcia	Clarke	Jelinek	Schauer
Basham	Cropsey	Johnson	Scott
Bernero	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—0****Not Voting—0**

In The Chair: President

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

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

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

The Senate agreed to the full title.

By unanimous consent the Senate proceeded to the order of

**Resolutions**

Senator Jacobs offered the following resolution:

**Senate Resolution No. 64.**

A resolution to call for the POW/MIA flag to be flown over the Capitol on certain holidays.

Whereas, A long-standing concern of the people of this state has been the fate of our fellow citizens who have served this nation and have been prisoners of war or who have been listed as missing in action. These heroes, along with those we know have died in the preservation of our freedoms, hold a special place in our affections; and

Whereas, Public displays of the POW/MIA flag are an excellent way to remind all people of the true cost of our freedoms. Linking the POW/MIA flag with the holidays that we already reserve to encourage respect for our country's ideals and the men and women who have sacrificed to secure them is especially appropriate. Indeed, the high price of liberty is even more apparent today with our troops engaged in battle. The POW/MIA flag is an effective symbol of the need for America to remain vigilant and committed to the ultimate accounting of all our heroes. Display of this flag on holidays celebrating our heritage of patriotism can also be an effective means of teaching children about the sacrifices that have been made to enrich our daily lives; and

Whereas, Elected officials should take a leadership role in honoring those who have protected our way of life. Doing so can inspire all people to remember everything that our system of self-government means to us and demands of us. Flying the POW/MIA flag as we celebrate our country and remember its heroes is clearly a most appropriate step to take; now, therefore, be it

Resolved by the Senate, That we call for the POW/MIA flag to be flown on top of the Capitol on Armed Forces Day, Memorial Day, Flag Day, Independence Day, and Veterans Day; and be it further

Resolved, That copies of this resolution be transmitted to the Michigan Capitol Committee.

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 Senior Citizens and Veterans Affairs.

The motion prevailed.

Senators Birkholz, Cherry, Clark-Coleman, Clarke, Garcia, Goschka, Leland, Schauer, Switalski and Toy were named co-sponsors of the resolution.

By unanimous consent the Senate proceeded to the order of

### **Statements**

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

The motion prevailed.

Senator Scott's statement is as follows:

We have talked about consistency here when it came to having schools start after Labor Day. Well, we need some consistency in Detroit and urban areas when it relates to insurance for homeowners and car insurance. You know, everybody is talking about all these high gas prices. Well, we have to pay the high insurance rates plus the high gas prices. So when we talk about consistency, we need consistency all over this state.

That's why Detroit, the largest city in this state, is now the poorest city in this country. It is because we have not reached out, even taken up insurance bills. It is ludicrous that for three years we haven't taken up insurance bills to debate these insurance bills that are making the city of Detroit poor.

I am going to read some statements from my website. This person says, "I pay over \$3,000 each year to insure two cars which have never had a claim against the insurer. This is ridiculous!"

The next one, "I pay in excess of \$4,000 per year to insure two cars and my home. I am not a driver with points, nor am I under 25, nor have I had any accidents 10-15 years, nor any claims on my homeowners insurance, yet I pay through the nose for insurance. This is strictly because I live in Detroit. I know this for certain because my car insurance rates jumped when I moved from the suburbs 8 years ago to the city. This is one factor in my decision to get out of the city. I can't afford these rates!"

Shame on us for wanting more people to move out of the city of Detroit.

The next one, "Hi Senator Scott: Thank you for keeping me posted on the rates update. Unfortunately, I am forced to seek insurance rates in California. I have found a company where the rates are, in my case, \$600 cheaper. What must I do? I have to be covered. Michigan insurance rates are totally unaffordable. Not to mention license tags renewal is also high.

Here is my breakdown for six months. My current rate is \$1,400, a \$300 health indemnity policy attached to vehicle insurance, totaling \$1,700. Now, times two — \$3,400 for one year. Keep in mind I have no accidents, points, or claims. Then there is the license tags renewal for \$177. Considering I am late, there is a penalty. Further, I was forced to relinquish my 16-year-old daughter's license because the insurance rates are so high for young drivers (approximately \$7,500 per year). I just thought you'd like to know."

I just thought my colleagues would like to know, and that's why I continue to tell you of these rates.

By unanimous consent the Senate returned to the order of

**Introduction and Referral of Bills**

Senator Bishop introduced

**Senate Bill No. 759, entitled**

A bill to amend 1978 PA 368, entitled "Public health code," (MCL 333.1101 to 333.25211) by adding part 55a. The bill was read a first and second time by title and referred to the Committee on Health Policy.

Senators Bernero, Toy, Schauer, Scott, Olshove, Prusi, Goschka, Barcia, Jacobs, Leland and Clarke introduced

**Senate Bill No. 760, entitled**

A bill to amend 1953 PA 181, entitled "An act relative to investigations in certain instances of the causes of death within this state due to violence, negligence or other act or omission of a criminal nature or to protect public health; to provide for the taking of statements from injured persons under certain circumstances; to abolish the office of coroner and to create the office of county medical examiner in certain counties; to prescribe the powers and duties of county medical examiners; to prescribe penalties for violations of the provisions of this act; and to prescribe a referendum thereon," by amending sections 1c, 2, and 3 (MCL 52.201c, 52.202, and 52.203), section 2 as amended by 2004 PA 153.

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

Senators Bernero, Toy, Olshove, George, Scott, Prusi, Goschka, Barcia, Jacobs, Leland, Schauer and Clarke introduced

**Senate Bill No. 761, entitled**

A bill to amend 1996 PA 90, entitled "An act to limit the liability of employers under certain circumstances," (MCL 423.451 to 423.452) by adding section 3.

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

Senators Bernero, Olshove, George, Scott, Prusi, Goschka, Barcia, Jacobs, Leland, Schauer and Clarke introduced

**Senate Bill No. 762, entitled**

A bill to amend 1978 PA 368, entitled "Public health code," by amending sections 20198 and 21799c (MCL 333.20198 and 333.21799c), section 20198 as added by 1998 PA 270 and section 21799c as amended by 1996 PA 546.

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

Senators Bernero, Schauer, Olshove, George, Scott, Prusi, Goschka, Barcia, Jacobs, Leland and Clarke introduced

**Senate Bill No. 763, entitled**

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 20173 (MCL 333.20173), as added by 2002 PA 303.

The bill was read a first and second time by title and referred to the Committee on Senior Citizens and Veterans Affairs.

Senators Allen, Goschka, Barcia, Cropsey, Birkholz, Kuipers, Bishop, Cassis, George, Toy, Van Woerkom, Patterson, Gilbert, Sanborn, Garcia, Hardiman, Brown, Stamas, Jelinek, McManus, Olshove, Clark-Coleman and Scott introduced

**Senate Bill No. 764, entitled**

A bill to establish a monument to honor citizens of this state who have received the purple heart medal.

The bill was read a first and second time by title and referred to the Committee on Senior Citizens and Veterans Affairs.

**House Bill No. 4718, entitled**

A bill to amend 2001 PA 142, entitled "Michigan memorial highway act," (MCL 250.1001 to 250.2080) by adding section 78.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

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

**House Bill No. 4726, entitled**

A bill to amend 1976 PA 451, entitled "The revised school code," (MCL 380.1 to 380.1852) by adding section 1177a. 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. 4977, entitled**

A bill to amend 1927 PA 372, entitled "An act to regulate and license the selling, purchasing, possessing, and carrying of certain firearms and gas ejecting devices; to prohibit the buying, selling, or carrying of certain firearms and gas ejecting devices without a license or other authorization; to provide for the forfeiture of firearms under certain circumstances; to provide for penalties and remedies; to provide immunity from civil liability under certain circumstances; to prescribe the powers and duties of certain state and local agencies; to prohibit certain conduct against individuals who apply for or receive a license to carry a concealed pistol; to make appropriations; to prescribe certain conditions for the appropriations; and to repeal all acts and parts of acts inconsistent with this act," by amending section 51 (MCL 28.4251), as amended by 2002 PA 719.

The House of Representatives has passed the bill and ordered that it be given immediate effect. The bill was read a first and second time by title and referred to the Committee on Judiciary.

**House Bill No. 4978, entitled**

A bill to amend 1927 PA 372, entitled "An act to regulate and license the selling, purchasing, possessing, and carrying of certain firearms and gas ejecting devices; to prohibit the buying, selling, or carrying of certain firearms and gas ejecting devices without a license or other authorization; to provide for the forfeiture of firearms under certain circumstances; to provide for penalties and remedies; to provide immunity from civil liability under certain circumstances; to prescribe the powers and duties of certain state and local agencies; to prohibit certain conduct against individuals who apply for or receive a license to carry a concealed pistol; to make appropriations; to prescribe certain conditions for the appropriations; and to repeal all acts and parts of acts inconsistent with this act," (MCL 28.421 to 28.435) by adding section 6.

The House of Representatives has passed the bill and ordered that it be given immediate effect. The bill was read a first and second time by title and referred to the Committee on Judiciary.

**House Bill No. 5067, entitled**

A bill to amend 1998 PA 58, entitled "Michigan liquor control code of 1998," by amending the title and section 105 (MCL 436.1105) and by adding section 914.

The House of Representatives has passed the bill and ordered that it be given immediate effect.

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

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

The motion prevailed.

Senator Schauer's statement is as follows:

Colleagues, it is an honor to have a special guest of the Parliament. The Right Honorable Rosalind Carol Scott of Needham Market is a member of the House of Lords. She is a guest with us today, and I would like to tell you a little bit about her.

She was elected as a Liberal Democrat member of Parliament for Needham Market in the county of Suffolk in the year of 2000. She is the Liberal Democratic spokesperson on Local Government, House and Planning and the chair of the Transport Committee for the London Government Association. The Baroness also serves as a Liberal Democratic member of the Suffolk County Council, a position she has held since 1993 and is a Non-Executive Director for Anglia TV and Entrust.

She is a delightful person. She has also proved to be a champion of public safety through her work to lower speed limits in rural areas, and her desire is to have the UK lead Europe in creating stronger acts against drunken driving. Her dedication to these causes and her broad range of positions on boards in and out of the Parliament finds the Baroness as a woman dedicated to public service. She continues to show honor and respect within the community and beyond.

It is a great pleasure to welcome Baroness Rosalind Carol Scott of Needham Market, member of the House of Lords, here to the Michigan Senate. Please join me in giving her a very warm welcome.

Senator Emerson's statement is as follows:

I, too, rise to recognize one of our special guests here today. I have with me the Right Honorable Baron David William G. Chidgey. David is a member of the House of Lords from Hamble-le-Rice in the county of Hampshire. I think it's appropriate that he is sitting at my seat because, like me, he fought for a national minimum wage and led the fight in Parliament. He also is a leader in advocating for health care issues, and like me, has fought for an increase in jobs because he fought for issues that have related to the jobs losses in the United Kingdom. He has also fought for reducing the public debts, so there are some dissimilarity between the Lord and myself since I have voted mostly to expand our public debt.

We are really happy to have him here. He served in the House of Commons for eleven years. He is a civil engineer and worked all over the world in that consulting engineering capacity. He spent a lot of time in the Middle East and in Africa working on international development issues.

We are happy to have him here as one of the great spokespeople in the Parliament for international issues.

David, welcome to the Michigan Senate.

Senator Brown's statement is as follows:

It really is a privilege and a delight to be able to introduce to the members of this Senate a member of the British House of Commons, Mr. David Gordon Mundell. Mr. Mundell's constituency includes the geography from the outskirts of Edinburgh to the borders. Mr. Mundell is the ultimate minority. He is the only conservative in the House of Commons from Scotland. There are 59 members in the House of Commons from Scotland and he is the only conservative member. He has a lot of work to do. He is comfortable sitting with me. He served six years in the Scottish Parliament, essentially the lifetime of the modern existence of that body. For those who don't know, the Scottish Parliament—and Senator Bruce Patterson knows this—existed some nearly 300 years ago, but was basically eliminated by the act of union in 1707.

In 1997, there was a referendum to re-establish the Scottish Parliament, which was accomplished in 1999. Mr. Mundell was born in Dumfries, Scotland, which as many of you may know—certainly Senator Switalski will know—that that is the burial site of Robert Burns.

My family heritage is Scottish. My first name is from the Highlands of Scotland, and my middle name is from the Lowlands. It is really a delight to be able to host Mr. Mundell and to share this experience with him.

Senator George's statement is as follows:

I have a guest I would like to introduce today. I have one of the visiting members of Parliament. Lord Swraj Paul is my guest, and I want to tell you that when I read a little bit about his background, I saw that he was of Indian ancestry. And I ran into a constituent over the weekend, an Indian-American physician, a friend of mine, and I told him that I had a visitor from England who was a member of the House of Lords and was of Indian descent. And he said, "Well, who is the gentlemen. Perhaps I've heard of him?" And I said, "It's Lord Swjar Paul." And my friend's mouth dropped open and he said, "He is one of the most famous men in all of India." He said he is a great philanthropist. Furthermore, my friend said, "I have met him. I met him at a wedding in London, and I would like you to transmit to him my greetings from your district." And my friend Dr. Krishna Jain has given me a letter for Lord Paul, which I will give to him when I am done introducing him, but I wanted to tell you just a little bit about his background about this amazing person.

His first name is Swraj and you know that a raj is the leader or the rajah in India. "Swraj" refers to self-rule, and his parents named him this in honor of the Gandhian movement to seek independence from Britain. Swraj was the movement of the day that Gandhi proposed in his book, *Hin Swraj*, self-rule. It would be like one of us naming one of our children Liberty or Freedom. So his parents gave him this name, and during, you know, his career, he's been able to see the achieved self-rule. He's been able to see swraj accomplished in the Indian subcontinent.

Now, he lost his parents when he was a child, and his relatives saw that he received an education and eventually received a master's degree from MIT here in the United States. He is now a steel industrialist and has been the chair of a very large multinational steel corporation and is well-known for his philanthropy. He's been a philanthropist who has rescued the London Zoo, and he is chairing London's 2012 Olympic Committee. And I think that not only in his name Swraj, self-rule, but in his accomplishments, he has embodied Gandhi's dream and the dream of the Indian people. That was to achieve self-rule and independence, and Lord Swraj Paul has done that and embodies Gandhi's dream and the dream of his people.

So please join me in welcoming our guest today, Lord Swraj Paul.

### Committee Reports

The Committee on Economic Development, Small Business and Regulatory Reform reported

#### **House Bill No. 4916, entitled**

A bill to amend 1996 PA 376, entitled "Michigan renaissance zone act," by amending section 10 (MCL 125.2690), as amended by 2000 PA 259.

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

Alan Sanborn  
Chairperson

To Report Out:

Yeas: Senators Sanborn, Allen, Gilbert, Jacobs and Basham  
Nays: None  
The bill was referred to the Committee of the Whole.

The Committee on Economic Development, Small Business and Regulatory Reform reported

**House Bill No. 4917, entitled**

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 7ff (MCL 211.7ff), as amended by 1998 PA 498.

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

Alan Sanborn  
Chairperson

To Report Out:

Yeas: Senators Sanborn, Allen, Gilbert, Jacobs and Basham  
Nays: None  
The bill was referred to the Committee of the Whole.

The Committee on Economic Development, Small Business and Regulatory Reform reported

**House Bill No. 4803, entitled**

A bill to amend 1976 PA 451, entitled "The revised school code," by amending section 1284b (MCL 380.1284b), as amended by 2001 PA 167.

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

Alan Sanborn  
Chairperson

To Report Out:

Yeas: Senators Sanborn, Allen and Gilbert  
Nays: Senators Jacobs and Basham  
The bill was referred to the Committee of the Whole.

#### COMMITTEE ATTENDANCE REPORT

The Committee on Economic Development, Small Business and Regulatory Reform submitted the following:  
Meeting held on Wednesday, September 14, 2005, at 3:00 p.m., Rooms 402 and 403, Capitol Building  
Present: Senators Sanborn (C), Allen, Gilbert, Jacobs and Basham

The Committee on Education reported

**Senate Bill No. 673, entitled**

A bill to amend 1976 PA 451, entitled "The revised school code," (MCL 380.1 to 380.1852) by adding section 1536.

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.

Wayne Kuipers  
Chairperson

To Report Out:

Yeas: Senators Kuipers, Cassis, Van Woerkom, Clark-Coleman and Leland  
Nays: None  
The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Education reported

**Senate Bill No. 674, entitled**

A bill to amend 1976 PA 451, entitled "The revised school code," by amending section 1538 (MCL 380.1538), as added by 1988 PA 339.

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.

Wayne Kuipers  
Chairperson

To Report Out:

Yeas: Senators Kuipers, Cassis, Van Woerkom, Clark-Coleman and Leland

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 Education submitted the following:

Meeting held on Thursday, September 15, 2005, at 2:00 p.m., Room 210, Farnum Building

Present: Senators Kuipers (C), Cassis, Van Woerkom, Clark-Coleman and Leland

#### COMMITTEE ATTENDANCE REPORT

The Conference Committee on History, Arts, and Libraries (SB 274) submitted the following:

Meeting held on Wednesday, September 14, 2005, at 9:30 a.m., Room 405, Capitol Building

Present: Senators George (C), McManus and Clarke

#### COMMITTEE ATTENDANCE REPORT

The Conference Committee on Judiciary (SB 275) submitted the following:

Meeting held on Wednesday, September 14, 2005, at 3:00 p.m., Room 100, Farnum Building

Present: Senators Cropsey (C), Hardiman and Switalski

#### COMMITTEE ATTENDANCE REPORT

The Conference Committee on Labor and Economic Growth (SB 276) submitted the following:

Meeting held on Wednesday, September 14, 2005, at 3:15 p.m., Room 405, Capitol Building

Present: Senators Garcia (C), Hardiman and Prusi

#### COMMITTEE ATTENDANCE REPORT

The Committee on Agriculture, Forestry and Tourism submitted the following:

Meeting held on Thursday, September 15, 2005, at 9:00 a.m., Room 110, Farnum Building

Present: Senators Van Woerkom (C), Gilbert, Jelinek and Brater

Excused: Senator Thomas

#### COMMITTEE ATTENDANCE REPORT

The Conference Committee on Natural Resources (SB 278) submitted the following:

Meeting held on Thursday, September 15, 2005, at 9:05 a.m., Room 426, Capitol Building

Present: Senators McManus, Johnson and Prusi

#### COMMITTEE ATTENDANCE REPORT

The Conference Committee on History, Arts, and Libraries (SB 274) submitted the following:

Meeting held on Thursday, September 15, 2005, at 9:15 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building

Present: Senators George (C), McManus and Clarke

## COMMITTEE ATTENDANCE REPORT

The Conference Committee on Environmental Quality (SB 270) submitted the following:  
Meeting held on Thursday, September 15 2005, at 9:25 a.m., Room 426, Capitol Building  
Present: Senators McManus, Goschka and Barcia

## COMMITTEE ATTENDANCE REPORT

The Joint Subcommittee on Capital Outlay submitted the following:  
Meeting held on Thursday, September 15, 2005, at 9:30 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building  
Present: Senators Johnson (C), George, Goschka, Hardiman, Prusi and Cherry  
Excused: Senators Cropsey and Clarke

## COMMITTEE ATTENDANCE REPORT

The Conference Committee on State Police (SB 280) submitted the following:  
Meeting held on Thursday, September 15, 2005, at 9:30 a.m., Rooms 402 and 403, Capitol Building  
Present: Senators Brown (C), Stamas and Clarke

## COMMITTEE ATTENDANCE REPORT

The Conference Committee on Military and Veterans Affairs (SB 277) submitted the following:  
Meeting held on Thursday, September 15, 2005, at 9:45 a.m., Rooms 402 and 403, Capitol Building  
Present: Senators Brown (C), Stamas and Clarke

## COMMITTEE ATTENDANCE REPORT

The Conference Committee on Higher Education (SB 273) submitted the following:  
Meeting held on Thursday, September 15, 2005, at 12:00 noon, Room 428, Capitol Building  
Present: Senators Goschka, Johnson and Cherry

## COMMITTEE ATTENDANCE REPORT

The Conference Committee on Agriculture (SB 264) submitted the following:  
Meeting held on Thursday, September 15, 2005, at 12:45 p.m., Senate Hearing Room, Ground Floor, Boji Tower  
Present: Senators Brown (C), Jelinek and Barcia

## COMMITTEE ATTENDANCE REPORT

The Conference Committee on General Government (SB 272) submitted the following:  
Meeting held on Thursday, September 15, 2005, at 1:00 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building  
Present: Senators Garcia (C), McManus and Switalski

## COMMITTEE ATTENDANCE REPORT

The Conference Committee on Transportation (SB 281) submitted the following:  
Meeting held on Thursday, September 15, 2005, at 2:30 p.m., Senate Appropriations Room, 3rd Floor, Capitol Building  
Present: Senators Johnson (C), Stamas and Barcia



**Scheduled Meetings**

**Agriculture, Forestry and Tourism** - Thursday, September 22, 9:00 a.m., Room 110, Farnum Building (373-1635)

**Conference Committee -**

**State Police (SB 280)** - Thursday, September 22, 9:30 a.m., Rooms 402 and 403, Capitol Building (373-5932)

**Economic Development, Small Business and Regulatory Reform** - Wednesday, September 21, 3:00 p.m., Rooms 402 and 403, Capitol Building (373-7670) (CANCELED)

**Finance** - Wednesday, September 21, 12:30 p.m., Room 110, Farnum Building (373-1758)

**Health Policy** - Wednesday, September 21, 1:00 p.m., Senate Hearing Room, Ground Floor, Boji Tower (373-3543)

**Local, Urban and State Affairs** - Thursday, September 22, 1:00 p.m., Room 110, Farnum Building (373-1707)

**Michigan Capitol Committee** - Thursday, October 6, 12:30 p.m., Rooms 402 and 403, Capitol Building (373-0289)

**Technology and Energy** - Wednesday, September 21, 1:30 p.m., Room 210, Farnum Building (373-7350)

Senator Hammerstrom moved that the Senate adjourn.  
The motion prevailed, the time being 12:52 p.m.

The President, Lieutenant Governor Cherry, declared the Senate adjourned until Wednesday, September 21, 2005, at 10:00 a.m.

CAROL MOREY VIVENTI  
Secretary of the Senate

