

(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.

Review of equal employment opportunity compliance; contracts with local governments.

Sec. 402. 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

Contingency funds; availability for expenditure.

Sec. 500. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$2,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$5,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Restricted funds; assessment.

Sec. 501. (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 2002 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 bill. Unexpended 1% appropriated funds shall be returned to each 1% fund source at the end of the fiscal year.

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

Restricted sources; carryforward authority.

Sec. 502. 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.

EXECUTIVE OFFICE**Publication and distribution costs.**

Sec. 550. Funds collected by the executive office under sections 55, 57, 58, and 59 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.255, 24.257, 24.258, and 24.259, and section 203 of the legislative council act, 1986 PA 268, MCL 4.1203, are appropriated for all expenses necessary to provide for the costs of publication and distribution. The funds appropriated under this section are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

INFORMATION TECHNOLOGY**Interdepartmental grant contingency funds.**

Sec. 570. In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$40,000,000.00 for interdepartmental grant contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Department of information technology; user fees.

Sec. 571. The appropriation in part 1 for the department of information technology shall be funded by user fees assessed against other principal executive departments and agencies. Such user fees shall be based upon services provided by the department of information technology.

The e-Michigan office.

Sec. 572. (1) The e-Michigan office may sell and accept paid advertising for placement on any state website under its jurisdiction. The office shall review and approve the content of each advertisement. The office may refuse to accept advertising from any person or organization or require modification to advertisements based upon criteria determined by the office. Revenue received under this subsection will be used for operating costs of the office 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) The e-Michigan office may accept gifts, donations, contributions, bequests, and grants of money from any public or private source to assist with the underwriting or sponsorship of state web pages or services offered on those web pages. A private or public funding source may receive recognition in the web page. The office may reject a gift, donation, contribution, bequest, or grant.

(3) The e-Michigan office may enter into agreements to supply services to other principal executive departments and agencies. The e-Michigan office may receive and expend funds in addition to those authorized in 2000 PA 291 for providing those services. The e-Michigan office may expend amounts received for salaries, supplies, services, and equipment necessary to provide e-Michigan services.

(4) Funds accepted by the e-Michigan office under subsections (1), (2), and (3) are appropriated and allotted when received and may be expended upon receipt.

(5) Any unexpended revenue received under this section shall not lapse to the general fund and shall be available for future appropriations.

(6) The e-Michigan office shall develop a search function of all state departments and agencies. This search function shall be easily accessible to visitors on the front page of the state's website.

(7) The privacy policy adopted by the e-Michigan office 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.

(8) By April 1, the e-Michigan office shall report to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies all of the following information:

(a) The amount of gifts, donations, contributions, bequests, and grants of money received by the office under this section for the immediately preceding fiscal year.

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

(c) A listing of any gift, donation, contribution, bequest, or grant of property other than funding received by the office under this section for the immediately preceding 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.

Information and technical services; agreements.

Sec. 573. The department of information technology may enter into agreements to supply census information, 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 census-related products. The department of information technology may expend amounts received for salaries, supplies, and equipment necessary to provide informational products and technical services.

Historical and current data stored within MAIN; access.

Sec. 574. 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.

Transfer of employees from state agencies to department of information technology.

Sec. 575. Recognizing that all records, personnel, property, equipment, grants, and unexpended balances of appropriations, allocations, and other funds used, held, employed, available, or to be made available to any entity for the activities, powers, duties, functions, and responsibilities are transferred to the department of information technology from other state departments and agencies, it is the intent of the legislature that the department of information technology will transfer their employees from the other state departments and agencies within a reasonable time frame.

Information technology services; scope.

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.

LEGISLATURE**Receipt, expenditure, and transfer of funds.**

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.

Expenditure or transfer of funds; approval of authorized agent.

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, 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.

Rent charges and utility assessments.

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.

National association dues; distribution.

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

National conference of state legislatures	\$	173,900
Council of state governments		156,300
National conference of insurance legislators		9,400
National conference of commissioners on uniform state laws		42,000

Legislative parking facilities.

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.

Michigan manual; publication as work project account.

Sec. 605. The appropriation in part 1 to the legislative council for publication of the Michigan manual is considered 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.

Property management as work project.

Sec. 606. The appropriation in part 1 to the legislative branch, for property management, is considered 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 the use for which it was intended.

Save the flags fund account.

Sec. 607. 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.

Legislative council e-Law project.

Sec. 608. Funds appropriated in part 1 for e-Law, the legislative council's technology enhancement project, shall be used to support technology improvements for legislative functions performed by the legislative council agencies and to provide greater access to the public regarding legislative information. These funds, along with funds previously appropriated for the legislative session integration system, are designated as a work project 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 \$3,992,750.00, and the tentative completion date is September 30, 2004.

Unmarried domestic partners; payment of health insurance benefits prohibited.

Sec. 609. 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.

Auditor general; state restricted contingency funds.

Sec. 610. In addition to the funds appropriated in part 1 for the legislative auditor general, there is appropriated an amount not to exceed \$500,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Judicial branch; auditor general audit.

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.

Certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities.

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.

Noncompliance with auditor general recommendations; report.

Sec. 614. The auditor general shall report to the state budget director, the senate and house of representatives standing committees on appropriations, and the senate and house fiscal agencies on all recommendations made by the auditor general, in all audit reports, that are not complied with by the audited agencies.

Auditor general; salary; unclassified positions.

Sec. 615. From the funds appropriated in part 1 to the legislative auditor general, the legislative auditor general's salary shall be \$135,500.00. Funding for the remaining 2.0 FTE unclassified positions is limited to an aggregate amount of \$147,200.00.

Legislative requests to auditor general; additional costs.

Sec. 618. Any audits, reviews, or investigations requested of the auditor general by the legislature or by legislative leadership, legislative committees, or individual legislators should include an estimate of the additional costs involved and, when such costs exceed

\$50,000.00, should provide supplemental funding. The auditor general will determine whether to perform such activities in keeping with Audit Directive No. 29, which describes the office of auditor general policy on responding to legislative requests.

DEPARTMENT OF MANAGEMENT AND BUDGET

Contingency funds; availability for expenditure.

Sec. 700. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$2,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$3,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$50,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

State surplus, salvage, or scrap property; transfer or auction costs.

Sec. 701. 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.

Training and orientation workshops and seminars.

Sec. 702. The department of management and budget may receive and expend funds in addition to those authorized in part 1 for conducting training and orientation workshops and seminars that are consistent with the programmatic mission of the individual unit sponsoring or coordinating the program.

Services provided by department of management and budget; receipt and expenditure of funds.

Sec. 703. (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, or the judicial branch 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.

Census information.

Sec. 704. The department of management and budget may enter into agreements to supply census information, spatial information, and technical services to other principal executive departments, state agencies, local units of government, and other organizations. The department of management and budget may receive and expend funds in addition to those authorized in part 1 for providing information and technical services, publications, maps, and other census-related products. The department of management and budget may expend amounts received for salaries, supplies, and equipment necessary to provide informational products and technical services.

Child care information and referral services, severance pay funds, and professional development funds.

Sec. 705. (1) The appropriation in part 1 to the department of management and budget, for statewide appropriations from employer contributions, represents amounts included within the various appropriations for longevity and insurance, whether appropriated as a single line item or commingled with program line items, throughout state government for the current fiscal year for purposes of funding the child care information and referral services, severance pay funds, and professional development funds included within statewide appropriations. Deposits against the interdepartmental grant from employer contributions shall be made from assessments levied against the longevity and insurance appropriations during the current fiscal year in a manner prescribed by the department of management and budget. 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) From the funds appropriated in part 1 to the department of management and budget for professional development funds and child care information and referral services, the department of management and budget may expend funds for staff support associated with administration of the professional development funds and child care information and referral services in amounts as may be specified in joint labor/management agreements or through the coordinated compensation hearings process.

(3) In addition to the funds appropriated in part 1 for severance pay funds, the department of management and budget may receive and expend funds from other state agencies for staff support associated with the administration of these funds.

(4) In addition to the funds appropriated in part 1 to the department of management and budget, for statewide appropriations from employer contributions, 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 subsections (1), (2), and (3).

Special revenue internal service and pension trust funds.

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.

Per diem amounts for certain retirement boards.

Sec. 707. The per diem amounts authorized for the following boards within the department of management and budget are as follows:

(a) Judges retirement board.....	\$	50.00
(b) Public school employees retirement board.....		50.00
(c) State police retirement board.....		50.00
(d) State employees retirement board.....		50.00

Donated annual leave and administrative leave bank transfer.

Sec. 708. 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.

Michigan administrative information network.

Sec. 709. The appropriation 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.

Building occupancy and parking charges; carrying forward excess revenue.

Sec. 710. (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.

Flexible spending account program.

Sec. 711. The appropriation in part 1 to the department of management and budget, 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 management and budget services. 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 management and budget. 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.

Health insurance reserve fund of state employees' retirement act.

Sec. 712. In accordance with section 52 of the state employees' retirement act, 1943 PA 240, MCL 38.52, \$0.00 is appropriated in part 1 to the health insurance reserve fund of the state employees' retirement system created by section 11(8) of the state employees' retirement act, 1943 PA 240, MCL 38.11, representing the estimated general fund/general purpose savings from implementing the defined contribution retirement plan for the period October 1, 2000 through September 30, 2001.

Computer software development, hardware acquisition, or quality assurance; contract revisions.

Sec. 713. 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 exceeding \$500,000.00 to current contracts for computer software development, hardware acquisition, or quality assurance at least 14 days before the department of management and budget finalizes the revisions.

Invitations for bids and requests for proposals; maintenance of Internet website.

Sec. 715. 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.

Vietnam veterans memorial monument fund.

Sec. 716. The department of management and budget may receive and expend funds from the Vietnam veterans memorial monument fund for maintenance of the Vietnam veterans memorial monument and the Vietnam memorial park, as provided in 1988 PA 234, MCL 35.1051 to 35.1057. Funds are appropriated and allocated when received and may be expended upon receipt.

Michigan veterans' memorial park commission.

Sec. 717. 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.

Form referencing city or village; print and font size.

Sec. 718. From the funds appropriated in part 1 to the department of management and budget, the department of management and budget shall not, after the forms that are presently in stock are depleted and new forms are to be ordered, print or authorize the printing of a form that references a city or village, unless that form also references a township in the same size print and same font as the city or village is referenced.

Gubernatorial transition process.

Sec. 719. An amount up to \$1,200,000.00 shall be transferred from the general fund for costs associated with the gubernatorial transition process.

DEPARTMENT OF STATE**Contingency funds; availability for expenditure.**

Sec. 800. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$7,500,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$50,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Expenditure of funds provided by §§ 500.3171 to 500.3177.

Sec. 801. 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.

Sale of records; use of revenue.

Sec. 802. 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 \$6.55 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 department shall use the revenue received from the sale of records for necessary expenses as appropriated in part 1. The balance of the fee revenue remaining on September 30 shall revert to the general fund.

Manufacture of vehicle registration plates; agreement with department of corrections.

Sec. 803. 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.

Publications; funding sources.

Sec. 804. (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” means 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.

Publication costs; funds collected under § 257.211.

Sec. 805. 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.

Traffic accident records program; payment for services.

Sec. 806. 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 \$307,900.00 for the services provided by the traffic accident records program as first appropriated in 1990 PA 196 and 1990 PA 208.

Branch office operations; coverage of cash shortages.

Sec. 807. 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.

Commemorative and specialty license plate fee.

Sec. 808. (1) Commemorative and specialty license plate fee revenue collected by the department of state and deposited into the Michigan transportation 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 Michigan transportation fund in addition to the amount appropriated in part 1 to the department of state shall be available for other Michigan transportation fund-supported programs.

Olympic education training center.

Sec. 809. Funds or revenues in the Olympic education training center fund, after deducting manufacturing and administrative costs, 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.

Automotive repair facilities; training video.

Sec. 810. 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.

Michigan organ donor program.

Sec. 811. (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 in fiscal year 2004 for expenditure for the purposes described in this section.

Collector plate and fund-raising registration plate.

Sec. 812. 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.

Organ donation program; pamphlet.

Sec. 813. (1) 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.

(2) 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.

Qualified voter file systems; reimbursement to municipalities.

Sec. 814. The department shall reimburse municipalities with voting populations over 5,000 in any calendar year for qualified voter file systems, subject to the appropriations of funds to the department by the legislature for this purpose.

Secretary of state branch offices; closing or consolidating.

Sec. 816. The department shall consult with the senate and house of representatives standing committees on appropriations subcommittees on general government regarding the projected closing or consolidation of any secretary of state branch offices.

Secretary of state; salary.

Sec. 817. Effective January 1, 2003, the annual salary for the secretary of state shall be \$135,500.00, unless an amendment to the state constitution gives the state officers compensation commission the authority to determine the salary of the secretary of state.

Sec. 818. The appropriation in part 1 for branch operations includes \$1,000,000.00 from the state services fee fund for the development and implementation of a vertical driver license and personal identification card program for persons under the age of 21.

**DEPARTMENT OF TREASURY
OPERATIONS****Contingency funds; availability for expenditure.**

Sec. 900. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$10,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$200,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$50,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Debt service.

Sec. 901. (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.

Tax collection; contracts with private collection agencies and law firms; report.

Sec. 902. (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) 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.

Investment service fee.

Sec. 903. (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 concerning the performance of each portfolio by investment advisor.

Local government assistance manuals.

Sec. 904. 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 printing. 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.

State audits; charges; costs; scope; performance.

Sec. 905. (1) The department of treasury shall charge for audits as permitted by state or federal law or under contractual arrangements with local units of government, other principal executive departments, or state agencies. A report detailing audits performed and audit charges for the immediately preceding fiscal year shall be submitted to the state budget director and the senate and house fiscal agencies not later than November 30.

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

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

Assessor certification and training fund.

Sec. 906. 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 \$25.00, an initial certification fee of \$35.00, an annual renewal fee of

\$50.00 for levels 1 and 2 and \$95.00 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.

Administration of federal home heating credits and supplemental fuel cost payment program.

Sec. 907. 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 the federal home heating credits to eligible claimants and to administer the supplemental fuel cost payment program for eligible tax credit and welfare recipients.

Airport parking tax revenue.

Sec. 908. Revenue from the airport parking tax act, 1987 PA 248, MCL 207.371 to 207.383, is appropriated and shall be distributed under section 7 of the airport parking tax act, 1987 PA 248, MCL 207.377.

Bottle deposit fund; disbursement to dealers.

Sec. 909. 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.

Refundable income tax credits; recognition and payment.

Sec. 910. (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.

Garnishment action; payment by plaintiff.

Sec. 911. 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.

Assessments of senior citizen cooperative housing units; appraisal or appeal process; senior citizens' cooperative housing tax exemption program; audit.

Sec. 912. (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. The department of treasury may utilize up to 1% of the funds for program administration and auditing.

Loans to local governments.

Sec. 913. The state treasurer may make loans to local units of government from the state's common cash fund to implement local government infrastructure and private facility projects that will ultimately use long-term debt to finance the costs. These loans may be made at any time and shall be repaid, in full, not later than 12 months after the date of the loan. In addition to the full repayment of the loan principal, the borrowing unit shall pay interest at the average rate earned on common cash investments during the period of the loan. The total of all outstanding loans shall not exceed \$50,000,000.00 in the aggregate and no single loan shall exceed \$7,500,000.00.

Rosenthal prize.

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.

State campaign fund; amounts appropriated; reversion.

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 2002. 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, 2002 shall revert to the general fund.

Technology investment plan.

Sec. 916. The department of treasury may develop a technology investment plan to maintain and upgrade current tax management technology applications.

Sale of nonconfidential information; report.

Sec. 917. 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, 2003, 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.

Write-offs and advances.

Sec. 918. (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).

Tax orientation workshops and orientations.

Sec. 919. 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.

Auditing and collecting unclaimed property; contract with private auditing firms; report.

Sec. 920. (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 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.

Sleeping Bear Dunes national lakeshore; payment.

Sec. 921. 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 3.909.

Health and safety fund; distribution.

Sec. 922. All of the revenue collected under section 12(3)(a) of the tobacco products tax act, 1993 PA 327, MCL 205.432, is appropriated to the health and safety fund of this state for distribution as set forth in the health and safety fund act, 1987 PA 264, MCL 141.471 to 141.479.

Contract services with other departments and agencies.

Sec. 940. 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.

Agreements to supply data or collection services.

Sec. 941. 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.

Accounts receivable collections.

Sec. 942. (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).

Fees assessed against restricted funds; ratio.

Sec. 943. The appropriation in part 1 to the department of treasury, for treasury fees, shall be assessed against all restricted funds that contribute to the total value of state managed investments in the ratio each restricted fund contributes to the total value of state managed investments. The department of treasury shall provide a report to the state budget director, the senate and house appropriations subcommittees on general government, and the fiscal agencies by November 30 of each year identifying the fees assessed against each restricted fund.

Revenue received under Michigan education trust act; expenditure.

Sec. 950. Revenue received under the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1444, 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.

Nonpublic schools and home-schooled students; tests.

Sec. 951. (1) From the funds appropriated in part 1 for the Michigan merit award board/MEAP administration, the department shall provide tests to nonpublic schools and home-schooled students upon request. The department shall notify nonpublic schools that they are eligible to receive the tests.

(2) The department shall release test results at the same time to all private schools and public school districts taking the tests.

Michigan education savings program; state matching funds.

Sec. 952. (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.

Revenue received under hospital finance authority act; expenditure.

Sec. 960. 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.

Revenue received under shared credit rating act; expenditure.

Sec. 961. 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.

Revenue received under higher education facilities authority act; expenditure.

Sec. 962. 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.

Revenue received under Michigan public educational facilities authority; expenditure.

Sec. 963. 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.

Revenue received under Michigan broadband development authority act; expenditure.

Sec. 964. The department of treasury may expend revenues received under the Michigan broadband development authority act, 2002 PA 49, 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.

REVENUE SHARING

Revenue sharing; distributions.

Sec. 970. (1) Revenue collected in accordance with article IX, section 10 of the Michigan 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.

Receipt of excess funds by county treasurer; compliance.

Sec. 971. County treasurers shall comply with section 151 of the state school aid act of 1979, 1979 PA 94, MCL 388.1751, to receive funds under part 1 for the statutory state general revenue sharing grant payments in excess of the constitutional state general revenue sharing grant payments. The payment of funds under part 1 for the statutory state general revenue sharing grant payments in excess of the constitutional state general revenue sharing grant payments shall not be withheld if a local unit of government or the department of treasury fails to provide a county treasurer with information necessary to comply with section 151 of the state school aid act of 1979, 1979 PA 94, MCL 388.1751.

Sec. 972. (1) The appropriation in part 1 for grants to local governmental units will be distributed to counties, cities, villages, and townships if total revenue sharing payments received by a county, city, village, or township in fiscal year 2002-2003 are less than the total revenue sharing payments received by that county, city, village, or township in fiscal year 2001-2002 under the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921. The grant received by any city, village, or township whose 2000 census count is reduced due to a correction to the statewide federal census published by the United States department of commerce will be determined by the amount by which fiscal year 2002-2003 total revenue sharing payments are less than the fiscal year 2001-2002 revenue sharing payments calculated using the corrected population count. The department of treasury shall reduce grant payments proportionally if the amount appropriated in part 1 is insufficient to fully fund grant payments.

(2) If the appropriation for statutory state general revenue sharing grants to cities, villages, and townships is reduced under section 970, the appropriation to grants to local governmental units in part 1 shall be increased by an amount such that for each city, village, or township total revenue sharing payments and grants under this section will not be less than the total revenue sharing payment received by that city, village, or township in fiscal year 2001-2002 pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921. Any increase in the appropriation required under this section shall be distributed from the 21.3% of sales tax collections at a rate of 4% that is in excess of the appropriation for statutory state general revenue sharing grants appropriated in part 1.

LOTTERY

Implementing and operating lottery games; additional funds.

Sec. 980. 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

Compiler's note: The shaded section was vetoed by the Governor on July 25, 2002. On August 13, 2002, two-thirds of the members of the Senate and House of Representatives voted to pass the vetoed section, the objections of the Governor to the contrary notwithstanding.

costs of providing and maintaining the on-line system communications network, and incentive and bonus payments to lottery retailers.

Use of funds for certain promotional efforts prohibited.

Sec. 981. 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.

Sports figures associated with lottery; prohibition.

Sec. 982. 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.

CASINO GAMING

Deposit of revenue in state school aid fund.

Sec. 990. Revenue collected by the Michigan gaming control board regarding the wagering tax imposed on adjusted gross receipts received by the licensee from gaming authorized under the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.201 to 432.226, at the rate of 8.15% is appropriated and shall be deposited in the state school aid fund to provide additional funds for K-12 classroom education.

Deposit of revenue in compulsive gaming prevention fund.

Sec. 991. 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 1997 PA 69.

Casino gaming oversight.

Sec. 992. 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.

Local revenue sharing board.

Sec. 993. (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, 2003, to the senate and house of representatives standing committees on appropriations on the receipts and distribution of revenues by local revenue sharing boards.

Casino gaming regulation activities; funding.

Sec. 994. 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.

REVENUE STATEMENT

Fund balances and estimates; 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 2002-2003			
	Fund	Beginning		
	#	Unreserved	Estimated	Ending
		Fund	Revenue	Balance
		Balance		
OPERATING FUNDS				
General	0110	0.0	20,424.3	0.0
Special Revenue Funds:				
Countercyclical budget and economic stabilization	0111	471.2	15.4	224.9
Game and fish protection	0112	11.8	62.4	8.4
Michigan employment security act administration	0113	1.2	127.5	1.3
State aeronautics	0114	0.0	217.1	0.0
Michigan veterans' benefit trust	0115	0.0	3.0	0.0
State trunkline	0116	0.0	1,712.1	0.0
Michigan state waterways	0117	0.0	23.9	0.5
Blue Water Bridge	0118	0.0	12.1	0.0
Michigan transportation	0119	0.0	2,049.2	0.0
Comprehensive transportation	0120	7.6	288.7	7.6
School aid	0122	271.0	12,607.2	(19.4)
Marine safety	0123	1.9	5.1	0.7
Game and fish protection trust	0124	0.0	16.7	0.0
State park improvement	0125	5.4	30.9	3.4
Forest development	0126	4.3	23.0	0.1
Michigan civilian conservation corps endowment	0128	0.2	0.9	0.0

Michigan natural resources trust	0129	0.0	57.1	0.0
Michigan state parks endowment	0130	6.2	20.6	6.4
Safety education and training	0131	3.4	6.6	3.4
Uninsured employers' security	0135	0.0	0.0	0.0
Bottle deposit	0136	0.0	30.4	0.0
State construction code	0138	14.2	8.8	13.0
Children's trust	0139	0.5	2.4	0.7
State casino gaming	0140	12.4	28.2	19.2
Homeowner construction lien recovery	0141	2.0	0.5	1.4
Michigan nongame fish and wildlife	0143	0.1	0.6	0.0
Michigan merit award trust	0154	23.1	252.9	34.4
Tobacco settlement trust	0155	37.8	85.0	1.0
Michigan underground storage tank finance assurance	0160	0.0	63.3	0.0
TOTALS		\$955.2	\$38,176.4	\$322.7

Conditional effective date.

Enacting section 1. This act does not take effect unless House Bill No. 5248 of the 91st Legislature is enacted into law.

This act is ordered to take immediate effect.

Approved July 25, 2002.

Filed with Secretary of State July 25, 2002.

Compiler's note: House Bill No. 5248, referred to in enacting section 1, was filed with the Secretary of State July 18, 2002, and became P.A. 2002, No. 503, Imd. Eff. July 18, 2002.

[No. 529]

(HB 5645)

AN ACT to make appropriations for the family independence agency and certain state purposes related to public welfare services for the fiscal year ending September 30, 2003; 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

Appropriations; family independence agency.

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the family independence agency for the fiscal year ending September 30,

2003, from the funds indicated in this part. The following is a summary of the appropriations in this part:

FAMILY INDEPENDENCE AGENCY

Full-time equated classified positions	12,495.1	
Full-time equated unclassified positions	6.0	
Total full-time equated positions	12,501.1	
GROSS APPROPRIATION		\$ 4,071,412,900
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		978,800
ADJUSTED GROSS APPROPRIATION.....		\$ 4,070,434,100
Federal revenues:		
Total federal revenues		2,754,816,050
Special revenue funds:		
Total private revenues.....		9,856,850
Total local revenues		67,150,000
Total other state restricted revenues		65,388,800
State general fund/general purpose		\$ 1,173,222,400

Executive operations.

Sec. 102. EXECUTIVE OPERATIONS

Total full-time equated positions	589.8	
Full-time equated unclassified positions	6.0	
Full-time equated classified positions	583.8	
Unclassified salaries—6.0 FTE positions		\$ 505,800
Salaries and wages—432.8 FTE positions		22,720,100
Contractual services, supplies, and materials		8,293,300
Demonstration projects—13.0 FTE positions		8,938,100
Child support distribution computer system—8.0 FTE positions.....		17,155,600
Supplemental security income advocates, salaries and wages—16.0 FTE positions		1,050,800
Commission on disability concerns—8.0 FTE positions		956,900
Commission for the blind—106.0 FTE positions		18,036,300
Youth low vision program.....		260,000
GROSS APPROPRIATION		\$ 77,916,900
Appropriated from:		
Interdepartmental grant revenues:		
ADJUSTED GROSS APPROPRIATION.....		\$ 77,916,900
Appropriated from:		
Federal revenues:		
Total federal revenues		51,097,800
Special revenue funds:		
Total private revenues.....		1,340,000
Total local revenues		275,000
Total other state restricted revenues		477,300
State general fund/general purpose		\$ 24,726,800

Family independence services administration.

Sec. 103. FAMILY INDEPENDENCE SERVICES ADMINISTRATION

Full-time equated classified positions	437.5
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	For Fiscal Year Ending Sept. 30, 2003
Salaries and wages—301.5 FTE positions	\$ 15,181,000
Contractual services, supplies, and materials	19,198,500
Child support incentive payments	32,409,600
Legal support contracts.....	135,896,400
Employment and training support services.....	14,851,700
Project Zero—84.0 FTE positions.....	12,132,500
Wage employment verification reporting—2.0 FTE positions	2,170,200
Urban and rural empowerment/enterprise zones.....	100
Training and staff development—50.0 FTE positions	9,881,200
Community services block grants.....	24,350,000
GROSS APPROPRIATION.....	\$ 266,071,200
Appropriated from:	
Interdepartmental grant revenues:	
ADJUSTED GROSS APPROPRIATION.....	\$ 266,071,200
Appropriated from:	
Federal revenues:	
Total federal revenues	244,534,200
Special revenue funds:	
Total local revenues	340,000
State general fund/general purpose	\$ 21,197,000

Child and family services.

Sec. 104. CHILD AND FAMILY SERVICES

Full-time equated classified positions	105.3
Salaries and wages—45.3 FTE positions	\$ 2,836,800
Contractual services, supplies, and materials	1,657,500
Refugee assistance program—4.0 FTE positions.....	12,705,900
Foster care payments	151,378,900
Wayne County foster care payments.....	96,412,500
Adoption subsidies.....	204,952,800
Adoption support services—9.0 FTE positions	14,600,400
Youth in transition—10.0 FTE positions	13,353,500
Interstate compact	300,000
Children's benefit fund donations	21,000
Domestic violence prevention and treatment—6.0 FTE positions....	13,149,000
Teenage parent counseling—4.0 FTE positions	4,426,700
Family preservation and prevention services—20.0 FTE positions ..	77,754,500
Black child and family institute	100,000
Rape prevention and services	2,600,000
Children's trust fund administration—7.0 FTE positions.....	495,000
Children's trust fund grants	3,615,000
Attorney general contract.....	2,481,000
Guardian contract	600,000
Prosecuting attorney contracts.....	1,061,700
GROSS APPROPRIATION.....	\$ 604,502,200
Appropriated from:	
Interdepartmental grant revenues:	
ADJUSTED GROSS APPROPRIATION.....	\$ 604,502,200

For Fiscal Year
Ending Sept. 30,
2003

Appropriated from:

Federal revenues:

Total federal revenues.....	\$	361,892,500
Special revenue funds:		
Private - children's benefit fund donations.....		21,000
Private - collections.....		5,054,600
Local funds - county payback.....		35,111,300
Children's trust fund.....		3,306,900
State general fund/general purpose	\$	199,115,900

Juvenile justice services.

Sec. 105. JUVENILE JUSTICE SERVICES

Full-time equated classified positions.....	960.1	
Child care fund.....		\$ 139,500,000
Child care fund administration—7.5 FTE positions.....		884,000
Juvenile justice operations—932.6 FTE positions.....		82,215,700
Federally funded activities—12.0 FTE positions		1,865,200
W.J. Maxey memorial fund		45,000
Juvenile accountability incentive block grant—4.0 FTE positions ...		8,436,200
Juvenile boot camp program		1,600,000
Committee on juvenile justice administration—4.0 FTE positions...		464,800
Committee on juvenile justice grants.....		5,000,000
GROSS APPROPRIATION.....		\$ 240,010,900

Appropriated from:

Federal revenues:

Total federal revenues.....		35,553,500
Special revenue funds:		
Total private revenues.....		645,000
Local funds - county payback.....		30,668,600
State general fund/general purpose	\$	173,143,800

Local office staff and operations.

Sec. 106. LOCAL OFFICE STAFF AND OPERATIONS

Full-time equated classified positions.....	9,778.4	
Field staff, salaries and wages—9,627.9 FTE positions		\$ 401,875,600
Contractual services, supplies, and materials		27,936,400
Outstationed eligibility workers—60.0 FTE positions		5,392,500
Food stamp reinvestment		5,700,000
Wayne County gifts and bequests.....		100,000
Volunteer services and reimbursement—90.5 FTE positions.....		\$ 7,455,300
GROSS APPROPRIATION.....		\$ 448,459,800

Appropriated from:

Federal revenues:

Total federal revenues.....		283,245,050
Special revenue funds:		
Local funds - donated funds.....		193,100
Private funds - Wayne County gifts		100,000
Private funds - hospital contributions.....		2,696,250
State general fund/general purpose	\$	162,225,400

For Fiscal Year
Ending Sept. 30,
2003

Disability determination services.

Sec. 107. DISABILITY DETERMINATION SERVICES

Full-time equated classified positions	620.0	
Disability determination operations—594.0 FTE positions		\$ 69,460,300
Medical consultation program—21.0 FTE positions		3,083,700
Retirement disability determination—5.0 FTE positions		828,800
GROSS APPROPRIATION		\$ 73,372,800
Appropriated from:		
Interdepartmental grant revenues:		
Department of management and budget - office of retirement systems		828,800
ADJUSTED GROSS APPROPRIATION		\$ 72,544,000
Federal revenues:		
Total federal revenues		69,466,000
State general fund/general purpose		\$ 3,078,000

Central support accounts.

Sec. 108. CENTRAL SUPPORT ACCOUNTS

Rent		\$ 45,802,900
Occupancy charge		11,399,300
Grand tower facility reimbursement		2,150,000
Travel		7,189,100
Equipment		1,087,400
Worker's compensation		5,391,600
Advisory commissions		17,900
Payroll taxes and fringe benefits		179,687,900
GROSS APPROPRIATION		\$ 252,726,100
Appropriated from:		
Federal revenues:		
Total federal revenues		161,702,800
Special revenue funds:		
Local funds - county payback		304,400
State general fund/general purpose		\$ 90,718,900

Public assistance.

Sec. 109. PUBLIC ASSISTANCE

Full-time equated classified positions	10.0	
Family independence program		\$ 376,339,600
Transitional work support		5,000,000
State disability assistance payments		22,139,900
Food assistance program benefits		833,011,200
State supplementation		59,038,000
State supplementation administration		2,624,300
Homestead property tax credit for low-income families		50,000,000
Low-income energy assistance program—10.0 FTE positions		86,003,600
State emergency relief		45,187,100
Weatherization assistance		10,900,000

	For Fiscal Year Ending Sept. 30, 2003
Day care services.....	\$ 466,910,000
GROSS APPROPRIATION.....	\$ 1,957,153,700
Appropriated from:	
Interdepartmental grant revenues:	
ADJUSTED GROSS APPROPRIATION.....	\$ 1,957,153,700
Appropriated from:	
Federal revenues:	
Total federal revenues.....	1,422,469,900
Special revenue funds:	
Child support collections	48,149,300
Supplemental security income recoveries	5,104,800
Public assistance recoupment revenue	2,300,000
State general fund/general purpose	\$ 479,129,700

Information technology.

Sec. 110. INFORMATION TECHNOLOGY

Information technology services and projects.....	\$ 60,494,400
Child support automation.....	90,571,000
Client services system.....	12,721,200
Data system enhancement	22,040,900
GROSS APPROPRIATION.....	\$ 185,827,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG from ADP.....	150,000
ADJUSTED GROSS APPROPRIATION.....	\$ 185,677,500
Appropriated from:	
Federal revenues:	
Total federal revenues.....	124,854,300
Local funds.....	257,600
Total private revenues.....	0
Total other state restricted revenues.....	6,050,500
State general fund/general purpose	\$ 54,515,100

Early retirement and budgetary savings.

Sec. 111. EARLY RETIREMENT AND BUDGETARY

SAVINGS

Early retirement savings.....	\$ (21,301,700)
Budgetary savings.....	(8,726,500)
Administrative budgetary savings.....	\$ (4,600,000)
GROSS APPROPRIATION.....	\$ (34,628,200)
Appropriated from:	
Interdepartmental grant revenues:	
ADJUSTED GROSS APPROPRIATION.....	\$ (34,628,200)
Appropriated from:	
Federal revenues:	
Total federal revenues.....	0
Total private revenues.....	0
Total other state restricted revenues.....	0
State general fund/general purpose	\$ (34,628,200)

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Total state spending; payments to local units of government.

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 2002-2003 is \$1,238,611,200.00 and state spending from state resources to be paid to local units of government for fiscal year 2002-2003 is \$207,056,200.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

FAMILY INDEPENDENCE AGENCY
CHILD AND FAMILY SERVICES

Adoption subsidies..... \$ 79,224,300

JUVENILE JUSTICE SERVICES

Child care fund..... 123,700,000
County juvenile officers..... 2,973,200

PUBLIC ASSISTANCE

State disability program..... 1,158,700
TOTAL \$ 207,056,200

Appropriations subject to §§ 18.1101 to 18.1594.

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.

Definitions.

Sec. 203. As used in this act:

- (a) "ADP" means automated data processing.
- (b) "Department" means the family independence agency.
- (c) "DMB" means the department of management and budget.
- (d) "FTE" means full-time equated.
- (e) "IDG" means interdepartmental grant.

(f) "Temporary assistance for needy families" or "TANF" or "Title IV-A" means part A of title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 601 to 604, 605 to 608, and 609 to 619.

(g) "Title IV-D" means part D of title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 651 to 655, 656 to 660, and 663 to 669b.

(h) "Title IV-E" means part E of title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 670 to 673, 673b to 679, and 679b.

Billing by department of civil service.

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.

Hiring freeze; exceptions.

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 one position to another within a department.

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

Contingency funds; availability for expenditure.

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$200,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$5,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$20,000,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$20,000,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Privatization; project plan.

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

Reporting requirements; use of Internet.

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

Purchase of foreign goods or services.

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.

Businesses in deprived and depressed communities; contracts to provide services or supplies.

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.

Individual and family grant disaster assistance program.

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

Write-offs and prior year obligations.

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.

Food assistance overissuance collections; application against federal funds.

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.

Budget report.

Sec. 214. (1) The department shall submit a report to the chairpersons of the senate and house appropriations subcommittees on the family independence agency budget and to the senate and house fiscal agencies on the details of allocations within program budgeting line items and within the salaries and wages line items in the field services appropriation unit. 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, 2003.

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

Conflict with or violation of federal regulations; notification.

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

TANF funding; report; notice of proposed changes.

Sec. 218. (1) The department shall prepare a semiannual report on the temporary assistance for needy families (TANF) federal block grant. The report shall include projected expenditures for the current fiscal year, an accounting of any previous year funds carried forward, and a summary of all interdepartmental or interagency agreements relating to the use of TANF funds. The report shall be forwarded to the state budget director and the house and senate appropriations subcommittees on the family independence agency budget, the house and senate fiscal agencies, and policy offices on or before January 15, 2003 and May 15, 2003.

(2) The state budget director shall give prior written notice to the members of the house and senate appropriations subcommittees for the family independence agency and to the house and senate fiscal agencies 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.

Contracts with faith-based organizations; mentoring or supportive services.

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) Notwithstanding subsections (1) and (2), the department shall cooperate with faith-based organizations so that they are able to compete on the same basis as any other private organization for contracts to provide services to recipients of department services, including, but not limited to, mentoring or supportive services. The department shall not discriminate against an organization that applies to become a contractor on the basis that the organization has a religious character.

(4) The department shall follow guidelines related to faith-based involvement established in section 104 of title I of the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 42 U.S.C. 604a.

Carrying forward excess revenue.

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

Medicaid eligibility.

Sec. 223. (1) 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.

(2) The family independence agency shall analyze the efficacy of centralized monthly processing of Medicaid spend-down paperwork for clients whose monthly income amount is stable. The department shall present the findings of the analysis to the senate and house appropriations subcommittees on the family independence agency, during budget deliberations, and distribute the findings to the senate and house standing committees on human services matters, senate and house fiscal agencies, and policy offices.

Financing realignment.

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

Technology-related services and projects; user fees; interagency agreement; report.

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) By October 15, 2002, the family independence agency shall report on the interagency agreement with the department of information technology to the house and senate appropriations subcommittees for the family independence agency budget, house and senate fiscal agencies, and policy offices. The report shall include the base service priorities in the agreement including, but not limited to, the following:

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

(3) Individual projects within the interagency agreement with a cost of \$500,000.00 or greater must be reported to the house and senate appropriations subcommittees for the family independence agency budget, house and senate fiscal agencies, and policy offices.

(4) As used in this section, “base services” means all services to be supplied by the department of information technology that are to be purchased by the family independence agency under the provisions of the interagency agreement.

Information technology; designation as work project.

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.

Restructuring local offices; plan.

Sec. 261. The department shall consult with the house and senate appropriations subcommittees on the family independence agency regarding the planned restructuring of local offices in response to 2002 PA 93. Issues to be covered shall include service delivery structure, facility needs, and administrative support. Any plan presented shall ensure that the department provides a presence and services in every county.

Replacement of early retirees.

Sec. 263. The department shall replace all foster care workers and child protection services workers who take an early retirement on a 1-to-1 ratio.

Employee communications with legislators and staff.

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

Early retirement and budgetary savings; satisfaction of negative appropriation.

Sec. 265. (1) The negative appropriation for early retirement savings in part 1 shall be satisfied by savings realized from not filling all of the positions lost due to the early retirement plan for state employees enacted in 2002 PA 93 amendments to the state employees retirement act, 1943 PA 240, MCL 38.1 to 38.69.

(2) The negative appropriation for budgetary savings in part 1 shall be satisfied by savings from the hiring freeze imposed under section 205, efficiencies, and other savings identified by the department director and approved by the state budget director.

(3) Appropriation authorization adjustments required due to negative appropriations for early retirement savings and budgetary savings shall be made only after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Additional appropriations; condition.

Sec. 268. (1) Subject to subsection (2), in addition to the amounts appropriated under part 1, the following amounts are appropriated for the fiscal year ending September 30, 2003:

(a) \$600,000.00 is appropriated to multicultural assimilation programs from the state general fund.

(b) \$4,600,000.00 is appropriated to administrative budgetary savings from the state general fund.

(2) The appropriations in subsection (1) shall become effective only if the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 30 cents or more per pack of cigarettes on or before September 30, 2002.

(3) Appropriation authorization adjustments required due to negative appropriations for administrative budgetary savings shall be made only after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

EXECUTIVE OPERATIONS

Use of debit card to distribute assistance; school clothing allowance.

Sec. 301. (1) The department may distribute cash assistance to recipients electronically by using debit cards.

(2) The department shall appropriate up to \$4,300,000.00 for the annual school clothing allowance. The allowance shall be granted to all eligible children 4 to 18 years of age. The department shall encourage all recipients of the annual school clothing allowance to consider using that allowance at consignment stores or other stores that provide discounts to program recipients.

Tuition payments for blind clients.

Sec. 302. The appropriation in part 1 for the Michigan commission for the blind includes funds for case services. These funds may be used for tuition payments for blind clients for the school year beginning September 2002.

Members of commissions or boards; per diem payments.

Sec. 303. The appropriation in part 1 for commissions and boards may be used for per diem payments to members of commissions or boards for a full day of committee work at which a quorum is present for performing official business as authorized by each respective commission or board. The per diem payment for the Michigan commission for the blind shall be at a rate of \$50.00 per day.

FAMILY INDEPENDENCE SERVICES ADMINISTRATION**Legal support contracts and child support program expenses; retention of additional incentives.**

Sec. 401. (1) From the federal money received for child support incentive payments, up to \$10,415,700.00 shall be retained by the state and expended for legal support contracts and child support program expenses.

(2) In addition to the amount retained in subsection (1), additional incentives may be retained and used by the state for special, enhanced, or centralized initiatives or services that are reasonably calculated by the department, in consultation with the state court administrative office and the state budget office, to result in an equivalent or greater increase in child support collections or child support incentive payments received from the federal government. If payment from the federal government for collection performance incentives exceeds the amount received by the state for the fiscal year 2000, the amount in excess for the fiscal year 2000 payment shall be apportioned to the counties and the state in the same proportion as the base amount.

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

(4) A county shall not be penalized due to the failure to comply with federal child support enforcement system requirements if the department determines that all of the following conditions are met:

(a) The county, friend of the court, and the department have a written agreement that outlines the county's commitment to participate in the system.

(b) The county and the friend of the court are fully and timely cooperating with the work plan outlined in the child support enforcement memorandum of understanding between the department and the county.

(c) The county and the friend of the court are implementing the child support enforcement system required for federal certification.

(d) The friend of the court and county prosecuting attorney's office use the statewide system upon availability to monitor and process title IV-D cases.

(5) In addition to the amount specified in subsection (1), the family independence agency may retain any federal title IV-D incentive payment revenues withheld from counties pursuant to the imposition of financial penalties, and may use the federal revenues retained for any child support program purpose.

Community services block grant funds; public hearing.

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

Community services block grant funds; distribution plan; recommendations.

Sec. 404. The department shall develop a plan based on recommendations from the department of civil rights and from Native American organizations to assure that the community services block grant funds are equitably distributed. The plan must be developed by October 31, 2002, and the plan shall be delivered to the appropriations subcommittees on the family independence agency in the house and senate.

Sec. 407. From the funds appropriated in part 1 for family preservation and prevention services, the family independence agency shall contract with Created for Caring for \$150,000.00 in TANF funds allowable services. The department is authorized to make allocations of TANF funds only to the agency if that agency reports necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Child support collections; escheated amount counted as title IV-D program income.

Sec. 412. 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 C.F.R. 304.50.

Additional appropriations.

Sec. 413. (1) In addition to the funds appropriated in part 1, there is hereby appropriated up to \$28,785,700.00. This appropriation is contingent upon the receipt of a refund from the federal government related to penalties previously imposed for the child support enforcement system and upon certification from the state budget director that the funds are available for expenditure. Of this amount, up to: \$2,700,000.00 may be used to continue before- or after-school programs; \$8,785,700.00 may be used for the child support enforcement system; \$4,300,000.00 may be used for the family independence program school clothing allowance; \$650,000.00 may be used to supplement community services block grant funding for community action agencies; \$500,000.00 may be used to support a fatherhood initiative; \$4,300,000.00 may be used for family independence program caseload, state disability assistance, and child care fund costs; \$250,000.00 may be used to fund the food bank council; \$50,000.00 may be used to support the Michigan marriage and fatherhood commission; \$3,000,000.00 may be used to fund the transitional work support program; \$150,000.00 may be used for the northern Michigan Miracle Manor, an addiction treatment and rehabilitation services program for homeless women with dependent children; \$250,000.00 may be used for establishment or enhancement of domestic violence supervised parenting time centers; \$150,000.00 may be used for 3 emergency homeless shelter case management pilot programs; \$100,000.00 may be used for a Medicaid spend down analysis; \$600,000.00 may be used for multicultural assimilation programs; and \$3,000,000.00 may be used for contracts, services, supplies, and materials.

(2) The funds appropriated in subsection (1) shall be considered 1-time authority.

Community action agencies; allocations of TANF funds.

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

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

Fatherhood initiative.

Sec. 415. (1) From the funds appropriated in part 1 for employment and training support services, the family independence agency shall expend up to \$500,000.00 in TANF to fund a fatherhood initiative. 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. Program components may include, but are not limited to, parental guidance, infant care, food preparation, effective communication, anger management, children's financial support, respect, drug-free lifestyle, and referrals to employment services.

(2) The providers will measure outcomes as agreed upon by the department and based on required TANF reporting guidelines.

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

Marriage initiative.

Sec. 416. (1) From the funds appropriated in part 1 for employment and training support services, the family independence agency may expend up to \$250,000.00 in TANF to fund a marriage initiative. 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.

(2) The providers will measure outcomes as agreed upon by the department and based on required TANF reporting guidelines.

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

(4) The department shall choose only providers who are licensed through the department of consumer and industry services and who meet the standards of the public health code, 1978 PA 368, MCL 333.1101 to 333.25211.

CHILD AND FAMILY SERVICES**Children in foster care; duration; restriction; priority.**

Sec. 501. The following goal is established by state law. During the fiscal year ending September 30, 2003, 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.

Children under jurisdiction of Indian tribal courts; foster care expenditures.

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.

Eighteenth birthday of adoptee; adoption payment subsidies.

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 twenty-first birthday.

Current fiscal year collections and accruals; inclusion of excess revenues.

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.

Children's trust fund; joint project.

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

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

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

Preserving or reuniting family; expenditure of funds; restrictions.

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.

Contract bids; existence of 1 provider.

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.

Foster care pilot projects.

Sec. 512. From the funds appropriated in part 1 for foster care payments, the department may expend up to \$1,500,000.00 for foster care pilot projects that include ways to increase foster parent recruitment, improve foster parent retention, and increase delivery of training and supportive services to foster parents.

Child placement in out-of-state facility; conditions.

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

(a) There is no appropriate placement available in this state.

(b) The out-of-state facility meets all of the licensing standards of this state for a comparable facility.

(c) The out-of-state facility meets all of the applicable licensing standards of the state in which it is located.

(d) The department has done an on-site visit to the out-of-state facility, reviewed the facility records, and reviewed licensing records and reports on the facility and believes that the facility is an appropriate placement for the child.

Children's protective services; report to legislature.

Sec. 514. The department shall make a comprehensive report concerning children's protective services (CPS) to the legislature, including the senate and house policy offices, by January 1, 2003, that shall include all of the following:

(a) Statistical information including, at a minimum, all of the following:

(i) The total number of reports of abuse or neglect investigated under the child protection law, 1975 PA 238, MCL 722.621 to 722.638, and the number of cases classified under category I or category II and the number of cases classified under category III, category IV, or category V.

(ii) Characteristics of perpetrators of abuse or neglect and the child victims, such as age, relationship, socioeconomic status, race, and ethnicity.

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

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

Child welfare waiver managed care demonstration project.

Sec. 515. From the funds appropriated in part 1 for foster care payments and related administrative costs, the department may implement the federally approved title IV-E child welfare waiver managed care demonstration project.

Family preservation and prevention services; activities and services; allocations.

Sec. 517. (1) From the funds appropriated in part 1 for family preservation and prevention services, 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) From the funds appropriated in part 1 for family preservation and prevention services, up to \$4,000,000.00 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 pre-application materials for fiscal year 2002-2003 direct services grants.

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

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

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

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

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

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

Local multipurpose collaborative bodies.

Sec. 518. (1) The funds appropriated in part 1 for family preservation and prevention services in the 2002-2003 fiscal year reflect strong families/safe children allocations to local multipurpose collaborative bodies that are no less than the allocations in effect on April 1, 1997. The department shall work with the multipurpose collaborative bodies to address

high out-of-home placement rates and through collaboration arrange a reward plan, penalty plan, or both, to achieve less child out-of-home placements, including placements for adjudicated youth in residential treatment programs.

(2) In order to maintain this level of funding, the department may use up to \$8,000,000.00 in TANF funds provided that the local multipurpose collaborative bodies submit data to the department that will enable the department to document potential federal claimable expenditures.

(3) No later than March 1, 2003, each local multipurpose collaborative body shall submit a report to the department that includes the number of people receiving strong families/safe children services, including services to adjudicated youth and their families, the local goals for this program, and a measure of the effectiveness in meeting these goals.

(4) The department shall provide during budget deliberation hearings the compilation of reports from the multipurpose collaborative bodies outlined in subsection (3).

Sec. 519. From the funds appropriated in part 1 for foster care payments, Wayne County foster care payments, and adoption support services, the department shall increase the rate of payments for child placing agencies and residential treatment facilities by 1% effective April 1, 2003. The rate increase may be used to support foster and adoptive parent resource centers.

Kinship care.

Sec. 520. It is the intent of the legislature that the funds appropriated in part 1 for kinship care in the fiscal year ending September 30, 2003, 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.

Youth in transition, domestic violence prevention and treatment, and teenage parent counseling; allocation of TANF funds.

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

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

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

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

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

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

(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.

Prevention services program; status report.

Sec. 524. The department shall submit to the senate and house appropriations subcommittees on the family independence agency, the senate and house standing committees having jurisdiction over human services matters, the senate and house fiscal agencies, and the senate and house policy offices an annual report, beginning April 2, 2002, detailing the status of the prevention services program.

Foster care recruitment and retention programs.

Sec. 530. Of funds available for foster care recruitment pilots, the department shall develop and implement foster parent recruitment and retention programs. The programs shall focus on diversity of foster parents, and recruitment of homes appropriate for teens and other high-risk placements. The programs should draw from models including, but not limited to, one church one child, foster home mentoring, neighborhood-based recruitment, and multimedia outreach.

Payments to local units of government; agreements.

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

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

(a) Provide for the family independence agency to retain 50% of the federal revenues earned.

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

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

(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 which 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.

Child placing agencies and child caring institutions; review; report.

Sec. 532. The family independence agency, in collaboration with the department of consumer and industry services and representatives of the Michigan federation of private child and family agencies, shall review policies, practices, and procedures involving the annual licensing review conducted by the department of consumer and industry services 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. The department shall report on its findings, conclusions, and any actions taken to ensure the maximum feasible coordination and efficiency in conducting these reviews. The report shall be presented to the senate and house appropriations subcommittees on the family independence agency and the department of consumer and industry services, the senate and house fiscal agencies, and the senate and house policy offices by April 1, 2003.

Private nonprofit child placing facilities; payments.

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

Teen pregnancy prevention programs; city of Pontiac.

Sec. 534. Funding not distributed from the teen pregnancy prevention pilot performance bonus may be used to support teen pregnancy prevention programs in the city of Pontiac.

Guardianship fee; increase.

Sec. 535. It is the intent of the legislature that the department shall review the merits of increasing the per month guardianship fee.

Foster care; geographically based assignment system; condition for implementation.

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

Foster care services; placement by private nonprofit licensed agency.

Sec. 537. 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 shall only apply if the private nonprofit licensed agency has an available placement at the time the child needs to be placed and the placement is not contrary to the best interests of the child or the child's siblings.

Children adjudicated abused, neglected, or delinquent, and requiring residential treatment; placement.

Sec. 539. The family independence agency 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.

PUBLIC ASSISTANCE**Rent vendoring programs.**

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.

Agreements with energy providers.

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 negotiate with positive billing utility companies to develop extended payment plans. Such plans shall allow clients who terminate from positive billing due to increased income to make monthly payments in order to gradually liquidate utility arrears.

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

State disability assistance program; eligibility.

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

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

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

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

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

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

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

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

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

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

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

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

(4) A refugee or asylee who loses his or her eligibility for the federal supplemental security income program by virtue of exceeding the maximum time limit for eligibility as delineated in section 402 of title IV of the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 8 U.S.C. 1612, and who otherwise meets the eligibility criteria under this section shall be eligible to receive benefits under the state disability assistance program.

State disability assistance recipients in licensed adult foster care facilities; reimbursement level.

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.

Receipt of retroactive supplemental security benefits; repayment contract.

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.

Recoveries and accruals.

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.

Adult foster care facilities or homes for the aged; reimbursement.

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.

State supplementation level; reduction prohibited.

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, 2002 and ending September 30, 2003.

State emergency relief program; good cause criteria; exemptions.

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.

Indigent burials; payment.

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.

Housing affordability eligibility.

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.

Indigent burials; maximum allowable charge limit; distribution; report.

Sec. 613. (1) From the funds appropriated in part 1 for state emergency relief, the maximum allowable charge limit for indigent burials shall be \$1,114.00. The funds shall be distributed as follows: \$710.00 for funeral directors; \$234.00 for cemeteries or crematoriums; and \$170.00 for the provider of the vault.

(2) On December 31, 2002, participating funeral home directors or cemeteries or crematoriums shall submit on a quarterly basis a report on a form made available by the department that includes all of the following information:

- (a) The number of indigent burials performed.
- (b) The cost of services rendered for each indigent burial performed.
- (c) The total reimbursement received from the state for indigent burials.

(d) The amount the participating provider received from families toward indigent burials.

(e) All other sources of reimbursement received by the participating providers shall be documented individually for indigent burials.

(f) The percentage of total burials performed by the provider that represents indigent burials.

(3) The department shall report on an annual basis on the information received from participating providers under subsection (2). The department shall submit the report to the state budget director, the chairpersons of the senate and house appropriations committees, the chairpersons of the senate and house appropriations subcommittees on the family independence agency, the senate and house fiscal agencies, and the senate and house policy offices.

Burial services; availability of funds.

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.

Illegal alien; public assistance prohibited.

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.

Weatherization program.

Sec. 616. (1) 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.

(2) Any unencumbered balances of the weatherization program shall not lapse and may be carried forward to fiscal year 2004.

Adult supervised household; approval of living arrangement.

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.

Reducing, termination, or suspending assistance; notice.

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.