

**STATE OF MICHIGAN**

**GENERAL APPROPRIATION  
BILLS ENACTED FOR  
2010-2011 FISCAL YEAR**

**and Related Materials**



*February 2011*



# STATE OF MICHIGAN

## GENERAL APPROPRIATION BILLS ENACTED FOR 2010-2011 FISCAL YEAR

and Related Materials



*Compiled by the*  
**LEGISLATIVE SERVICE BUREAU**

*February 2011*



# **PREFACE**

This booklet includes the general appropriation bills for the 2010-2011 fiscal year passed by the Michigan Legislature and enacted into law during the 2010 session. It also includes supplemental appropriation bills for the 2010-2011 fiscal year.

Readers are advised that the Governor vetoed items in a number of the appropriation bills compiled herein. Each of the Governor's veto messages appears following the act to which it applies.

The appropriation bills are arranged according to the listing on the following pages.



# **CONTENTS**

- I. General Appropriation Bills Enacted for 2010-2011 Fiscal Year
- II. Supplemental Appropriation Bills Enacted for 2010-2011 Fiscal Year



# **GENERAL APPROPRIATION BILLS ENACTED FOR 2010 – 2011 FISCAL YEAR**

## **AGRICULTURE**

(HB 5875 – Act 166 of 2010)

## **CAPITAL OUTLAY**

(SB 251 – Act 27 of 2010)

(HB 5858 – Act 329 of 2010)

## **COMMUNITY COLLEGES**

(SB 1151 – Act 165 of 2010)

## **COMMUNITY HEALTH**

(SB 1152 – Act 187 of 2010)\*

## **CORRECTIONS**

(SB 1153 – Act 188 of 2010)\*

## **EDUCATION**

(SB 1154 – Act 164 of 2010)

## **ENERGY, LABOR, AND ECONOMIC GROWTH**

(HB 5884 – Act 186 of 2010)\*

## **GENERAL GOVERNMENT**

(HB 5880 – Act 191 of 2010)\*

## **HIGHER EDUCATION**

(SB 1157 – Act 203 of 2010)

## **HUMAN SERVICES**

(HB 5882 – Act 190 of 2010)\*

## **JUDICIAL BRANCH**

(HB 5883 – Act 167 of 2010)

\* See Governor's veto message following text of act.

**MILITARY AND VETERANS AFFAIRS**

(HB 5885 – Act 162 of 2010)

**NATURAL RESOURCES**

(HB 1161 – Act 189 of 2010)

**SCHOOL AID**

(SB 1163 – Act 110 of 2010)\*

(HB 4860 – Act 204 of 2010)

(HB 5872 – Act 205 of 2010)\*

(HB 5887 – Act 217 of 2010)

**STATE POLICE**

(HB 5888 – Act 163 of 2010)

**TRANSPORTATION**

(HB 5889 – Act 192 of 2010)\*

\* *See Governor's veto message following text of act.*

**SUPPLEMENTAL APPROPRIATION BILLS  
ENACTED DURING  
2010 - 2011 REGULAR SESSION**

**MULTIDEPARTMENT**

(HB 5404 – Act 1 of 2010)  
(HB 5403 – Act 2 of 2010)  
(HB 5394 – Act 47 of 2010)\*  
(HB 5407 – Act 66 of 2010)  
(HB 5406 – Act 89 of 2010)  
(SB 928 – Act 92 of 2010)  
(SB 1166 – Act 111 of 2010)  
(SB 797 – Act 142 of 2010)  
(HB 6086 – Act 158 of 2010)  
(HB 5409 – Act 193 of 2010)

**STATE POLICE**

(HB 6153 – Act 285 of 2010)

\* *See Governor's veto message following text of act.*



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**GENERAL APPROPRIATION  
BILLS**

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***2010-2011 FISCAL YEAR***



# **AGRICULTURE**



Act No. 166  
Public Acts of 2010  
Approved by the Governor  
September 23, 2010  
Filed with the Secretary of State  
September 23, 2010  
EFFECTIVE DATE: September 23, 2010

**STATE OF MICHIGAN  
95TH LEGISLATURE  
REGULAR SESSION OF 2010**

Introduced by Rep. Espinoza

# ENROLLED HOUSE BILL No. 5875

AN ACT to make appropriations for the department of agriculture for the fiscal year ending September 30, 2011; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to require reports, audits, and plans; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by certain state agencies.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of agriculture for the fiscal year ending September 30, 2011, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF AGRICULTURE**

**APPROPRIATION SUMMARY**

Full-time equated unclassified positions .....	2.0	
Full-time equated classified positions .....	456.5	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 76,448,300</b>
Interdepartmental grant revenues:		
IDG from MDELEG (LCC), liquor quality testing fees .....		191,900
IDG from MDNRE, biosolids .....		97,200
Total interdepartmental grants and intradepartmental transfers.....		289,100
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 76,159,200</b>
Federal revenues:		
USDA, multiple grants.....		11,028,300
EPA, multiple grants .....		1,728,900
HHS-FDA .....		1,701,500
United States department of labor .....		463,900
Total federal revenues .....		14,922,600
Special revenue funds:		
Total local revenues.....		0
Private - slow-the-spread foundation.....		166,400
Private - commodity group revenue .....		93,700
Total private revenues.....		260,100
Agricultural preservation fund .....		3,002,700

For Fiscal Year  
Ending Sept. 30,  
2011

Agriculture equine industry development fund.....	\$	4,476,900
Agriculture pollution prevention fund.....		100
Animal welfare fund.....		142,400
Commodity inspection fees.....		1,002,000
Consumer and industry food safety education fund.....		278,000
Dairy and food safety fund.....		2,885,500
Freshwater protection fund.....		5,127,600
Gasoline inspection and testing fund.....		2,752,500
Grain dealer fee fund.....		163,500
Horticulture fund.....		89,300
Industry support funds.....		700,300
Licensing and inspection fees.....		4,117,600
Migrant housing inspection fees.....		112,300
Migratory labor housing fund.....		28,600
Nonretail liquor fees.....		718,800
Refined petroleum fund.....		3,870,900
State services fee fund.....		53,400
Testing fees.....		434,500
Weights and measures regulation fees.....		722,500
Total other state restricted revenues.....		30,679,400
State general fund/general purpose.....	\$	30,297,100

**Sec. 102. EXECUTIVE**

Full-time equated unclassified positions.....	2.0
Full-time equated classified positions.....	27.5
Commissions and boards.....	\$ 23,800
Unclassified positions—2.0 FTE positions.....	213,300
Executive direction—8.0 FTE positions.....	996,200
Management services—12.0 FTE positions.....	928,600
Statistical reporting service—1.0 FTE position.....	148,500
Emergency management—6.5 FTE positions.....	741,800
Accounting service center.....	878,300
GROSS APPROPRIATION.....	\$ 3,930,500
Appropriated from:	
Federal revenues:	
HHS-FDA.....	500,000
Special revenue funds:	
Private - commodity group revenue.....	82,600
Industry support funds.....	38,400
Nonretail liquor fees.....	8,800
Refined petroleum fund.....	57,800
State general fund/general purpose.....	\$ 3,242,900

**Sec. 103. DEPARTMENTWIDE**

Rent and building occupancy charges.....	\$ 1,042,200
GROSS APPROPRIATION.....	\$ 1,042,200
Appropriated from:	
Federal revenues:	
USDA, multiple grants.....	236,000
EPA, multiple grants.....	182,900
HHS-FDA.....	45,500
Special revenue funds:	
Agricultural preservation fund.....	23,900
Freshwater protection fund.....	35,200
Licensing and inspection fees.....	177,800
Nonretail liquor fees.....	30,300
Refined petroleum fund.....	257,200
State services fee fund.....	53,400
State general fund/general purpose.....	\$ 0

**Sec. 104. FOOD AND DAIRY**

Full-time equated classified positions.....	107.0	
Food safety and quality assurance—81.0 FTE positions .....		\$ 9,744,900
Milk safety and quality assurance—26.0 FTE positions .....		3,259,200
<b>GROSS APPROPRIATION</b> .....		<b>\$ 13,004,100</b>
Appropriated from:		
Federal revenues:		
USDA, multiple grants.....		226,100
HHS-FDA .....		432,600
Special revenue funds:		
Consumer and industry food safety education fund.....		278,000
Dairy and food safety fund .....		2,885,500
State general fund/general purpose .....		\$ 9,181,900

**Sec. 105. ANIMAL INDUSTRY**

Full-time equated classified positions.....	68.0	
Animal disease prevention and response—68.0 FTE positions .....		\$ 9,474,200
<b>GROSS APPROPRIATION</b> .....		<b>\$ 9,474,200</b>
Appropriated from:		
Federal revenues:		
USDA, multiple grants.....		1,215,800
HHS-FDA .....		75,400
Special revenue funds:		
Animal welfare fund.....		142,400
Licensing and inspection fees.....		111,400
State general fund/general purpose .....		\$ 7,929,200

**Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT**

Full-time equated classified positions.....	108.0	
Pesticide and plant pest management—94.0 FTE positions .....		\$ 11,347,000
Emerald ash borer control program—10.0 FTE positions .....		2,138,500
Producer security/grain dealers—4.0 FTE positions.....		552,600
<b>GROSS APPROPRIATION</b> .....		<b>\$ 14,038,100</b>
Appropriated from:		
Federal revenues:		
USDA, multiple grants.....		3,214,400
EPA, multiple grants .....		838,600
HHS-FDA .....		105,000
Special revenue funds:		
Private - slow-the-spread foundation.....		166,400
Commodity inspection fees .....		1,002,000
Grain dealers fee fund.....		163,500
Horticulture fund.....		89,300
Industry support funds.....		461,900
Licensing and inspection fees.....		3,670,100
State general fund/general purpose .....		\$ 4,326,900

**Sec. 107. ENVIRONMENTAL STEWARDSHIP**

Full-time equated classified positions.....	39.0	
Environmental stewardship.....		\$ 94,400
Michigan agriculture environmental assurance program—3.0 FTE positions .....		262,000
Groundwater and freshwater protection program—15.0 FTE positions .....		5,354,100
Farmland and open space preservation—9.0 FTE positions.....		928,600
Agriculture pollution prevention program.....		1,000,100
Local conservation districts .....		100
Migrant labor housing—6.0 FTE positions.....		1,142,800
Right-to-farm—3.0 FTE positions.....		504,300
Intercounty drain—3.0 FTE positions.....		416,100
<b>GROSS APPROPRIATION</b> .....		<b>\$ 9,702,500</b>

Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDNRE, biosolids .....	\$ 97,200
Federal revenues:	
USDA, multiple grants .....	1,000,000
EPA, multiple grants .....	356,200
United States department of labor .....	463,900
Special revenue funds:	
Agricultural preservation fund .....	928,600
Agriculture pollution prevention fund .....	100
Freshwater protection fund.....	5,092,300
Migrant housing inspection fees .....	112,300
Migratory labor housing fund.....	28,600
State general fund/general purpose .....	\$ 1,623,300

**Sec. 108. LABORATORY PROGRAM**

Full-time equated classified positions .....	97.0	
Laboratory services—45.0 FTE positions .....		\$ 6,085,600
USDA monitoring—13.0 FTE positions.....		2,259,000
Consumer protection program—39.0 FTE positions .....		5,498,100
GROSS APPROPRIATION .....		\$ 13,842,700

Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDELEG (LCC), liquor quality testing fees .....	189,100
Federal revenues:	
USDA, multiple grants .....	2,281,000
EPA, multiple grants .....	351,200
HHS-FDA .....	543,000
Special revenue funds:	
Agriculture equine industry development fund .....	541,700
Gasoline inspection and testing fund.....	2,639,400
Licensing and inspection fees .....	79,500
Refined petroleum fund.....	3,555,900
Testing fees .....	434,500
Weights and measures regulation fees .....	722,500
State general fund/general purpose .....	\$ 2,504,900

**Sec. 109. AGRICULTURE DEVELOPMENT**

Full-time equated classified positions .....	7.0	
Agriculture development—4.0 FTE positions.....		\$ 2,056,700
Grape and wine program—3.0 FTE positions.....		736,800
GROSS APPROPRIATION .....		\$ 2,793,500

Appropriated from:	
Federal revenues:	
USDA, multiple grants .....	1,605,000
Special revenue funds:	
Private - commodity group revenue .....	11,100
Industry support funds.....	200,000
Nonretail liquor fees .....	679,200
State general fund/general purpose .....	\$ 298,200

**Sec. 110. FAIRS AND EXPOSITIONS**

Full-time equated classified positions .....	3.0	
Fairs and racing—3.0 FTE positions .....		\$ 394,400
Purses and supplements - fairs/licensed tracks .....		764,300
Licensed tracks - light horse racing.....		42,600
Standardbred breeders' awards.....		312,500

	For Fiscal Year Ending Sept. 30, 2011
Standardbred purses and supplements - licensed tracks .....	\$ 577,000
Standardbred sire stakes .....	261,200
Standardbred training and stabling .....	11,600
Thoroughbred owners' awards.....	39,900
Thoroughbred supplements - licensed tracks.....	387,000
Thoroughbred breeders' awards.....	387,000
Thoroughbred sire stakes .....	267,600
Distribution of outstanding winning tickets .....	375,000
GROSS APPROPRIATION .....	\$ 3,820,100
Appropriated from:	
Special revenue funds:	
Agriculture equine industry development fund.....	3,820,100
State general fund/general purpose .....	\$ 0
 <b>Sec. 111. INFORMATION AND TECHNOLOGY</b>	
Information technology services and projects.....	\$ 1,500,400
GROSS APPROPRIATION .....	\$ 1,500,400
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDELEG (LCC), liquor quality testing fees .....	2,800
Special revenue funds:	
Agricultural preservation fund .....	200
Agriculture equine industry development fund.....	115,100
Gasoline inspection testing fund .....	113,100
Freshwater protection fund.....	100
Licensing and inspection fees.....	78,800
Nonretail liquor fees .....	500
State general fund/general purpose .....	\$ 1,189,800
 <b>Sec. 112. CAPITAL OUTLAY</b>	
Farmland and open space development acquisition.....	\$ 3,300,000
GROSS APPROPRIATION .....	\$ 3,300,000
Appropriated from:	
Federal revenues:	
USDA, multiple grants.....	1,250,000
Special revenue funds:	
Agriculture preservation fund .....	2,050,000
State general fund/general purpose .....	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2010-2011 is \$60,976,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2010-2011 is \$1,500,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF AGRICULTURE

Groundwater and freshwater protection program .....	\$ 1,500,000
TOTAL.....	\$ 1,500,000

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

Sec. 203. As used in this act:

- (a) "Department" means the department of agriculture.
- (b) "Director" means the director of the department.
- (c) "EPA" means the United States environmental protection agency.
- (d) "FTE" means full-time equated.
- (e) "HHS-FDA" means the United States department of health and human services - food and drug administration.
- (f) "IDG" means interdepartmental grant.
- (g) "MDELEG" means the Michigan department of energy, labor, and economic growth.
- (h) "MDNRE" means the Michigan department of natural resources and environment.
- (i) "USDA" means the United States department of agriculture.

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

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

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

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

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

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

Sec. 212. (1) Of the funds appropriated in part 1, the department may provide for indemnity as provided for pursuant to the animal industry act, 1988 PA 466, MCL 287.701 to 287.746, not to exceed \$100,000.00 per order from any line item for the fiscal year ending September 30, 2011. Before the department provides for an indemnification under this section, the department shall report the reason for the indemnification, the amount of the indemnification, and to whom the indemnification is to be paid. The report shall be given to each member of the senate and house appropriations subcommittees on agriculture and to the senate and house fiscal agencies and the state budget director.

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

Sec. 214. Of the funds appropriated in part 1 that are other than line-item grants, the department shall not provide grants to local government agencies, institutions of higher education, or nonprofit organizations unless the department

provides notice of the grant to the senate and house appropriations subcommittees on agriculture at least 10 days before the grant is issued. The grants shall be used to support research or other related activities for the purpose of enhancing the agricultural industries in this state.

Sec. 215. From the funds appropriated in part 1, the department shall use an amount not to exceed \$10,000.00 to develop, post, and maintain, on a publicly accessible Internet site, all expenditures made by the agency within a fiscal year. The posting must include the purpose for which each expenditure is made. The department shall not be required to hire additional employees to comply with this section.

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

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

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

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

Sec. 228. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$5,000,000.00 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 \$6,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

Sec. 229. (1) The department shall report no later than April 1, 2011 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the senate and house appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used by the department to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(3) As used in this section:

(a) "Rule" means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

(b) "Small business" means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

Sec. 230. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 231. From the funds appropriated in part 1 for salaries and benefits, the department shall provide funding in the pesticide and plant pest management, food and dairy, animal industry, environmental stewardship and laboratory divisions for not less than 315 employees who provide direct service to the public or substantially support the work of those who provide direct service. Expenditures shall be made so that these divisions continue to provide service to protect the public health, safety, and welfare and environment.

Sec. 237. Not later than September 30, 2011, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

## **EXECUTIVE**

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

(a) Management services publications.

(b) Management services audit and licensing functions.

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

(d) Pesticide and plant pest management grading services.

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

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

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

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

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

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

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

Sec. 306. From the funds appropriated in section 102, private funds for agricultural statistics shall be used to match state funds at not less than 50% of study costs.

## **FOOD AND DAIRY**

Sec. 401. The department shall monitor restaurant inspection and licensing functions carried out by local health departments to ensure uniform application and enforcement of minimum program requirements.

Sec. 402. Not later than April 1, 2011, the department shall provide a report to the senate and house appropriations subcommittees on agriculture and the senate and house fiscal agencies describing significant food-borne outbreaks and emergencies, including any enforcement actions taken related to food safety during the 2009-2010 fiscal year.

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

Sec. 406. Notwithstanding the provisions of section 205, the department is authorized to fill open positions in the food and dairy inspection program.

## **ANIMAL INDUSTRY**

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

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

Sec. 452. The department shall apply for all federal and private funds for which it is eligible that can be used to support the bovine tuberculosis program.

Sec. 454. The department shall use its resources to collaborate with the United States department of agriculture to obtain TB-free status for the area of the Lower Peninsula that is zoned as modified accredited advanced. The department shall also aggressively work toward eradicating bovine TB in the modified accredited zone.

Sec. 456. Of the funds appropriated in part 1, no funds shall be used to enforce the mandatory electronic animal identification program for any domestic animals other than cattle until specific procedures and guidelines for electronic animal identification are outlined in statute.

Sec. 457. On or before October 15, 2010, and on a quarterly basis thereafter, the department shall report to the senate and house agriculture committees, the senate and house appropriations subcommittees on agriculture, and the senate and house fiscal agencies on the department's progress toward meeting the USDA requirements as outlined in the March 2007 bovine TB program review. The report shall include, but is not limited to, information and data on: wildlife risk mitigation plan implementation in the modified accredited zone; implementation of a movement certificate process; progress toward annual surveillance test requirements set out in the June 2007 MOU; compliance efforts and rates for animals crossing the Mackinac Bridge; efforts to work with slaughter facilities in Michigan, as well as those that slaughter a significant number of animals from Michigan; educational programs and information for Michigan's livestock community; any other item the legislature should be aware of that will promote or hinder efforts to achieve bovine TB-free status for Michigan.

Sec. 458. From the funds appropriated in section 105 for animal industry, the department shall provide inspection and testing of aquaculture facilities and aquaculture researchers as provided under the Michigan aquaculture development act, 1996 PA 199, MCL 286.877. It is the intent of the legislature that the department shall work with aquaculture facilities and aquaculture researchers to identify, contain, and eradicate viral hemorrhagic septicemia in this state.

Sec. 459. Notwithstanding the provisions of section 205, the department is authorized to fill open positions in the bovine tuberculosis program.

Sec. 460. Of the appropriation in section 105 for animal health and welfare, budgetary reductions for the fiscal year ending September 30, 2011 shall not be taken from the aquaculture program, but shall be taken from other programs funded in the animal health and welfare appropriation line item.

### **PESTICIDE AND PLANT PEST MANAGEMENT**

Sec. 551. It is the intent of the legislature that the department work with the fruit and vegetable industry to ensure the development of a sustainable system of third-party inspections of fruits and vegetables.

Sec. 552. The department shall evaluate methods for limiting the transport of invasive species in or on pallets. The evaluation shall include an assessment for the costs and benefits of using commercially available treatments for mitigating infestation and preventing reinfestation of pallets. The department shall report to the legislature on the findings of the evaluations and make recommendations for limiting the transport of invasive species in pallets.

Sec. 553. From the funds appropriated in part 1 for pesticide and plant pest management, not less than \$200,000.00 shall be used for the purpose to ensure that Michigan commodities receive departmental inspections required by other governments to ship commodities out of Michigan. The department shall devise a plan to provide these required government inspections in a timely manner.

### **ENVIRONMENTAL STEWARDSHIP**

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

Sec. 606. The department shall actively search for all possible funding sources to be used to match federal funds in the USDA environmental quality incentives program.

Sec. 607. It is the intent of the legislature that the department continue its activities in support of intercounty drainage districts as provided in chapter 5 of the drain code of 1956, 1956 PA 40, MCL 280.101 to 280.106.

### **AGRICULTURE DEVELOPMENT**

Sec. 706. Not later than April 1, 2011, the department shall provide a report to the senate and house appropriations subcommittees on agriculture and the senate and house fiscal agencies describing the department's agriculture development and export market development activities. The report shall identify grants awarded during the prior fiscal year, including a description of federal or private funds made available as a result of department activities.

Sec. 709. (1) Not later than April 1, 2011, the department shall provide a report to the senate and house appropriations subcommittees on agriculture and the senate and house fiscal agencies describing the activities of the grape and wine industry council established under section 303 of the Michigan liquor control act of 1998, 1998 PA 58, MCL 436.1303.

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

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

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

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

Sec. 711. In accordance with chapter 8B of the Michigan strategic fund act, 1984 PA 270, MCL 125.2089 to 125.2089d, it is the intent of the legislature that the Michigan strategic fund, its employees, contract employees, and individuals working on its behalf collaborate with the Michigan department of agriculture to promote business development of Michigan agricultural products to achieve outcomes that include, but are not limited to, increases in export sales, increases in the number of retailers carrying Michigan commodities both within and outside of this state, and increased sales of Michigan products at chain grocers.

## **FAIRS AND EXPOSITIONS**

Sec. 801. All appropriations from the agricultural equine industry development fund shall be spent on equine-related purposes. No funds from the agriculture equine industry development fund shall be expended for nonequine-related purposes without prior approval of the legislature.

Sec. 802. All appropriations from the agriculture equine industry development fund, except for the racing commission and laboratory analysis program appropriations, shall be reduced proportionately if revenues to the agriculture equine industry development fund decline during the fiscal year ending September 30, 2011 to a level lower than the amounts appropriated in section 108.

Sec. 803. In the event there is no live thoroughbred race meet in 2010 or 2011, all purse money and program money appropriated for the thoroughbred industry in fiscal year 2009-2010 and fiscal year 2010-2011 shall be held in escrow for a period not to exceed 18 months, or until a thoroughbred race meet license is applied for and granted by the Michigan gaming control board. In the event there is no thoroughbred meet in 2010 or 2011, the purse pool distribution order to be issued by the Michigan gaming control board in 2011 that delineates distribution between the thoroughbred meet that has been held at pinnacle race course and the joint thoroughbred/quarterhorse meet held in Mt. Pleasant shall be the same distribution formula as issued in 2010, with the thoroughbred portion being held in escrow.

Sec. 804. The Michigan gaming control board shall use actual expenditure data in determining the actual regulatory costs of conducting racing dates and shall provide that data to the senate and house of representatives appropriations subcommittees on agriculture and general government and the senate and house fiscal agencies. The Michigan gaming control board shall not be reimbursed for more than the actual regulatory cost of conducting race dates. If a certified horsemen's organization funds more than the actual regulatory cost, the balance shall remain in the agriculture equine industry development fund to be used to fund subsequent race dates conducted by race meeting licensees with which the certified horsemen's organization has contracts. If a certified horsemen's organization funds less than the actual regulatory costs of the additional horse racing dates, the Michigan gaming control board shall reduce the number of future race dates conducted by race meeting licensees with which the certified horsemen's organization has contracts. Prior to the reduction in the number of authorized race dates due to budget deficits, the executive director of the Michigan gaming control board shall provide notice to the certified horsemen's organizations with an opportunity to respond with alternatives. In determining actual costs, the Michigan gaming control board shall take into account that each specific breed may require different regulatory mechanisms.

## **CAPITAL OUTLAY**

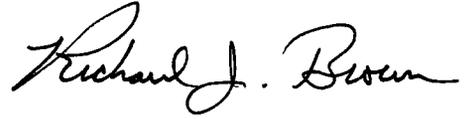
Sec. 1001. Of the amounts appropriated in part 1 for farmland and open space development acquisition, the funds shall be used for the purchase of development rights and the awarding of grants by the agriculture preservation fund board under the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106.

Sec. 1002. (1) The director shall allocate lump-sum appropriations made in this act consistent with statutory provisions and the purposes for which funds were appropriated. Lump-sum allocations shall address priority program or facility needs and may include, but are not limited to, design, construction, remodeling and addition, special maintenance, major special maintenance, energy conservation, and demolition.

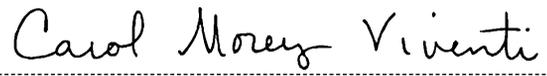
(2) The state budget director may authorize that funds appropriated for lump-sum appropriations shall be available for no more than 3 fiscal years following the fiscal year in which the original appropriation was made. Any remaining balance from allocations made in this section shall lapse to the fund from which it was appropriated pursuant to the lapsing of funds as provided in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 1003. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with the provisions of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor

# **CAPTITAL OUTLAY**



Act No. 27  
Public Acts of 2010  
Approved by the Governor  
March 26, 2010  
Filed with the Secretary of State  
March 26, 2010  
EFFECTIVE DATE: March 26, 2010

**STATE OF MICHIGAN  
95TH LEGISLATURE  
REGULAR SESSION OF 2010**

Introduced by Senator McManus

# ENROLLED SENATE BILL No. 251

AN ACT to make, supplement, and adjust appropriations for certain capital outlay projects for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; and to prescribe certain conditions for the appropriations.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for certain capital outlay projects for the fiscal year ending September 30, 2010, from the following funds:

**CAPITAL OUTLAY**

APPROPRIATION SUMMARY

GROSS APPROPRIATION .....	\$	35,658,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	35,658,500
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues .....		35,658,200
State general fund/general purpose .....	\$	300

**Sec. 102. MICHIGAN NATURAL RESOURCES TRUST FUND**

Natural resources trust fund projects ..... \$ 35,658,200

Trust fund acquisition projects by priority:

- Academy Preserve acquisition, phase II, Monroe County (grant-in-aid to Monroe County) (#09-163)
- Acme Waterfront Park, phase II, Grand Traverse County (grant-in-aid to Acme Township) (#09-171)
- Southeast Michigan eco-region acquisitions, various counties (#09-132)
- Niles community park expansion, Berrien County (grant-in-aid to Niles Township) (#09-082)
- Sheldon-Mead greenspace acquisition, Oakland County (grant-in-aid to city of Rochester Hills) (#09-165)
- Grand Isle acquisition, Kent County (grant-in-aid to Plainfield Township) (#09-166)
- Plainfield nature park expansion acquisition, Iosco County (grant-in-aid to Plainfield Township) (#09-026)
- Grand River ravines acquisition, Ottawa County (grant-in-aid to Ottawa County) (#09-075)
- Huron Mountains deeryard complex acquisition, Marquette County (#09-157)
- Boardman Lake Trail and nature reserve expansion, Grand Traverse County (grant-in-aid to Garfield Charter Township) (#09-173)
- Little Pigeon River property acquisition, Cheboygan County (#09-137)
- Grassland/bird habitat initiative, various counties (#09-156)
- Linear park acquisition, phase I, Wayne County (grant-in-aid to Northville Township) (#09-174)
- Saugatuck Harbor Natural Area acquisition, phase I, Allegan County (grant-in-aid to city of Saugatuck) (#09-001)
- Northern Lower Peninsula eco-regional land consolidation, various counties (#09-133)
- Menominee River oxbow acquisition, Menominee County (#09-136)
- Two Rivers Park acquisition, Ionia County (grant-in-aid to city of Portland) (#09-010)
- Upper Peninsula eco-regional land consolidation, various counties (#09-131)
- Southwest Lower Peninsula eco-regional land consolidation, various counties (#09-130)
- Diamond District Park land acquisition, Shiawassee County (grant-in-aid to city of Durand) (#09-083)
- Grand River Greenway trail acquisition, Ottawa County (grant-in-aid to village of Spring Lake) (#09-064)
- Parker Road park expansion, St. Clair County (grant-in-aid to Fort Gratiot Township) (#09-167)
- St. Johns trailside parkway acquisition, Clinton County (grant-in-aid to city of St. Johns) (#09-169)
- Lake George nature park acquisition, Oakland County (grant-in-aid to Addison Township) (#09-033)
- Pinckney recreation area land consolidation, various counties (#09-154)

Trust fund development projects by priority:

- Lowell area trailway, Kent County (grant-in-aid to Lowell area recreation authority) (#09-058)
- Central Agonikak National Recreation Trail enhancement, Gogebic County (grant-in-aid to Watersmeet Township) (#09-123)
- Mill Creek Park development, Washtenaw County (grant-in-aid to village of Dexter) (#09-028)
- Gladwin city park and campground improvements, Gladwin County (grant-in-aid to city of Gladwin) (#09-051)
- Liberty Park improvements, Saginaw County (grant-in-aid to Bridgeport Township) (#09-092)
- City beach improvements, Ottawa County (grant-in-aid to city of Grand Haven) (#09-099)
- Pinconning Park improvements, Bay County (grant-in-aid to Bay County) (#09-027)
- North bank trail development, Ottawa County (grant-in-aid to Spring Lake Township) (#09-112)
- Birney Park renovations, Bay County (grant-in-aid to city of Bay City) (#09-062)
- Cass River Greenway water trail development, Saginaw County (grant-in-aid to city of Frankenmuth) (#09-101)
- Milliken State Park east riverwalk, final link, Wayne County (#09-149)
- L'Anse area schools village park, Baraga County (grant-in-aid to L'Anse area schools) (#09-115)
- Central Park fishing dock, Ingham County (grant-in-aid to Meridian Township) (#09-068)
- Elizabeth Park Riverwalk - Northpointe, Wayne County (grant-in-aid to Wayne County) (#09-127)
- Grand River Greenway nonmotorized trail, Ottawa County (grant-in-aid to village of Spring Lake) (#09-015)
- Pennies for the park at Miners Park, Marquette County (grant-in-aid to city of Negaunee) (#09-113)

Iron Ore Heritage Trail interpretive signage, Marquette County (grant-in-aid to Iron Ore heritage recreation authority) (#09-071)		
Marina boardwalk and boat launch, Baraga County (grant-in-aid to village of Baraga) (#09-120)		
Colon community park development, St. Joseph County (grant-in-aid to village of Colon) (#09-049)		
Fillmore Township park development, Allegan County (grant-in-aid to Fillmore Township) (#09-104)		
Pinewood Park splash pad, Kent County (grant-in-aid to city of Kentwood) (#09-029)		
Holland State Park campground restroom, Ottawa County (#09-145)		
School Lake fishing access, Marquette County (grant-in-aid to Republic Township) (#09-087)		
Island sanctuary park boardwalk, Emmet County (grant-in-aid to village of Alanson) (#09-114)		
Concord mill pond trailhead park-falling waters, Jackson County (grant-in-aid to village of Concord) (#09-050)		
Hastings riverwalk development, Barry County (grant-in-aid to city of Hastings) (#09-111)		
Rabbit River park development, Allegan County (grant-in-aid to city of Wayland) (#09-063)		
Dodge #4 State Park - water system replacement, Oakland County (#09-143)		
Helder Park improvements, Ottawa County (grant-in-aid to Holland Township) (#09-090)		
Bloomer Park development, Oakland County (grant-in-aid to White Lake Township) (#09-103)		
Frederick Meijer white pine trail staging area, Kent County (grant-in-aid to city of Cedar Springs) (#09-003)		
Sherman Park picnic shelter development, Chippewa County (grant-in-aid to city of Sault Ste. Marie) (#09-105)		
Hickory Woods Park development, Washtenaw County (grant-in-aid to Pittsfield Township) (#09-013)		
Indian River pathway development, Cheboygan County (grant-in-aid to Tuscarora Township) (#09-072)		
Barber Memorial Park improvements, Genesee County (grant-in-aid to Montrose Township) (#09-025)		
Maiden Lane community park improvements, Berrien County (grant-in-aid to St. Joseph Township) (#09-017)		
Cass River Greenway water trail development, Tuscola County (grant-in aid to city of Vassar) (#09-100)		
Cass River Greenway water trail development, Tuscola County (grant-in-aid to Tuscola Township) (#09-102)		
Meade Township Park development, Mason County (grant-in-aid to Meade Township) (#09-066)		
State park infrastructure development, various counties (#09-148)		
Building demolition initiative, various counties (#09-155)		
Rose Lake shooting range development, Clinton County (#09-129)		
GROSS APPROPRIATION .....	\$	35,658,200
Appropriated from:		
Special revenue funds:		
Michigan natural resources trust fund .....		35,658,200
State general fund/general purpose .....	\$	0

**Sec. 103. STATE BUILDING AUTHORITY FINANCED CONSTRUCTION AUTHORIZATIONS**

Michigan Technological University - Great Lakes research center (total authorized cost \$25,337,000; state building authority share \$18,749,800; Michigan Technological University share \$6,587,000; state general fund share \$200) .....	\$	100
Oakland University - human health building (total authorized cost \$61,748,100; state building authority share \$39,999,800; Oakland University share \$21,748,100; state general fund share \$200) .....		100
Washtenaw Community College - skilled trades training program renovations project (total authorized cost \$14,800,000; state building authority share \$7,399,800; Washtenaw Community College share \$7,400,000; state general fund share \$200) .....		100
GROSS APPROPRIATION .....	\$	300
Appropriated from:		
State general fund/general purpose .....	\$	300

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this appropriation act for the fiscal year ending September 30, 2010 is \$35,658,500.00. State appropriations paid to local units of government are \$22,853,800.00 as follows:

Acquisition grants-in-aid .....	\$	15,152,800
Development grants-in-aid.....		<u>7,701,000</u>
Total payments to locals .....	\$	22,853,800

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

**DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENT**

Sec. 301. The department of natural resources and environment shall enter into agreements with local units of government for the purpose of administering the grants identified in part 1. Among other provisions, the agreements shall require that grant recipients agree to dedicate to public outdoor recreation uses in perpetuity the land acquired or developed; to replace lands converted or lost to other than public outdoor recreation use; and, for parcels acquired that are over 5 acres in size, to provide the state with a nonparticipating 1/6 minimum royalty interest in any acquired minerals that are retained by the grant recipient. The agreements shall also provide that the full payments of grants can be made only after proof of acquisition, or proof of completion of the development project, is submitted by the grant recipient and all costs are verified by the department of natural resources and environment.

Sec. 302. Any unobligated balance in a natural resources trust fund appropriation made under part 1 shall not revert to the funds from which appropriated at the close of the fiscal year, but shall continue until the purpose for which it was appropriated is completed for a period not to exceed 3 fiscal years. The unexpended balance of any natural resources trust fund appropriation made in part 1 remaining after the purpose for which it was appropriated is completed shall revert to the Michigan natural resources trust fund and be made available for appropriation.

**CAPITAL OUTLAY PROCESSES, PROCEDURES, AND REPORTS**

Sec. 401. Each capital outlay project authorized in this act or any previous capital outlay act shall comply with the procedures required by the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 402. (1) Before proceeding with final planning and construction for projects at community colleges and universities included in an appropriations act, the community college or university shall sign an agreement with the department of technology, management, and budget that includes the following provisions:

(a) The university or community college agrees to construct the project within the total authorized cost established by the legislature pursuant to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, and an appropriations act.

(b) The design and program scope of the project shall not deviate from the design and program scope represented in the program statement and preliminary planning documents approved by the department of technology, management, and budget.

(c) Any other items as identified by the department of technology, management, and budget that are necessary to complete the project.

(2) The department of technology, management, and budget retains the authority and responsibility normally associated with the prudent maintenance of the public's financial and policy interests relative to the state-financed construction projects managed by a community college or university.

Sec. 403. A state agency, college, or university shall take steps necessary to make available federal and other money indicated in this act, to make available federal or other money that may become available for the purposes for which appropriations are made in this act, and to use any part or all of the appropriations to meet matching requirements that are considered to be in the best interest of this state. However, the purpose, scope, and total estimated cost of a project shall not be altered to meet the matching requirements.

Sec. 404. The Bay City state police post project was authorized for construction in 2008 PA 278 with an estimated total project cost of \$2,889,000.00 (state building authority share \$2,888,900.00; and general fund/general purpose share \$100.00). Minimal project site costs were identified at the time construction was authorized, and an increase is necessary to provide for site development expenses including excavation, utility connections, drainage, asphalt paving, and perimeter fencing. The cost of the project is therefore increased by \$311,000.00, from \$2,889,000.00 to \$3,200,000.00 (state building authority share \$3,199,900.00; and general fund/general purpose share \$100.00).

### **COLLEGES AND UNIVERSITIES**

Sec. 501. (1) This section applies only to projects for community colleges.

(2) State support is directed towards the remodeling and additions, special maintenance, or construction of certain community college buildings. The community college shall obtain or provide for site acquisition and initial main utility installation to operate the facility. Funding shall be composed of local and state shares, and the state share shall include 50% of any federal money awarded for projects appropriated in this act. Not more than 50% of a capital outlay project, not including a lump-sum special maintenance project or remodeling and addition project, for a community college shall be appropriated from state and federal funds, unless otherwise appropriated by the legislature.

(3) An expenditure under this act is authorized when the release of the appropriation is approved by the state administrative board upon the recommendation of the director of the department of technology, management, and budget. The director of the department of technology, management, and budget may recommend to the state administrative board the release of any appropriation in part 1 only after the director of the department of technology, management, and budget is assured that the legal entity operating the community college to which the appropriation is made has complied with this act and has matched the amounts appropriated as required by this act. A release of funds in part 1 shall not exceed 50% of the total cost of planning and construction of any project, not including lump-sum remodeling and additions and special maintenance, unless otherwise appropriated by the legislature. Further planning and construction of a project authorized by this act or applicable sections of the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, shall be in accordance with the purpose and scope as defined and delineated in the approved program statements and planning documents. This act is applicable to all projects for which planning appropriations were made in previous acts.

(4) The community college shall take the steps necessary to secure available federal construction and equipment money for projects funded for construction in this act if an application was not previously made. If there is a reasonable expectation that a prior year unfunded application may receive federal money in a subsequent year, the community college shall take whatever action necessary to keep the application active. If federal money is received, the state share shall be adjusted accordingly as provided by this act.

Sec. 502. If matching revenues are received in an amount less than the appropriations contained in this act, the state funds of the appropriation shall be reduced in proportion to the amount of matching revenue received.

Sec. 503. (1) The director of the department of technology, management, and budget may require that community colleges and universities that have an authorized project listed in part 1 submit documentation regarding the project match and governing board approval of the authorized project not more than 60 days after the beginning of the fiscal year.

(2) If the documentation required by the director of the department of technology, management, and budget under subsection (1) is not submitted, or does not adequately authenticate the availability of the project match or board approval of the authorized project, the authorization may terminate. The authorization terminates 30 days after the director of the department of technology, management, and budget notifies the JCOS of the intent to terminate the project unless the JCOS convenes to extend the authorization.

This act is ordered to take immediate effect.

*Carol Morey Viventi*

Secretary of the Senate

*Richard J. Brown*

Clerk of the House of Representatives

Approved .....

.....  
Governor

Act No. 329  
Public Acts of 2010  
Approved by the Governor  
December 21, 2010  
Filed with the Secretary of State  
December 21, 2010  
EFFECTIVE DATE: December 21, 2010

**STATE OF MICHIGAN  
95TH LEGISLATURE  
REGULAR SESSION OF 2010**

Introduced by Rep. Lahti

# ENROLLED HOUSE BILL No. 5858

AN ACT to provide for a capital outlay program; to set forth the provisions for its implementation within the budgetary process; to make appropriations for planning and construction at state institutions and the acquisition of land; to provide for the elimination of fire hazards at the institutions; to provide for certain special maintenance, remodeling, alteration, renovation, or demolition of and additions to projects at state institutions; to provide for elimination of occupational safety and health hazards at state agencies and institutions; to provide for the award of contracts; and to provide for the expenditure thereof under the supervision of the director of the department of technology, management, and budget and the state administrative board.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for certain capital outlay projects at the various state agencies and institutions for the fiscal year ending September 30, 2011, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**CAPITAL OUTLAY**

APPROPRIATION SUMMARY

GROSS APPROPRIATION .....	\$	2,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	2,500
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	2,500

**Sec. 103. STATE AGENCY, COMMUNITY COLLEGE, AND UNIVERSITY PLANNING  
AUTHORIZATIONS**

Central Michigan University - bio-sciences building - for program and planning to be paid for from university resources (estimated total authorized cost \$75,000,000; state share \$30,000,000; university share \$45,000,000) .....	\$	100
Grand Valley State University - classroom/office additions - for program and planning to be paid for from university resources (estimated total authorized cost \$55,000,000; state share \$30,000,000; university share \$25,000,000) .....		100
Lake Superior State University - school of business building - for program and planning to be paid for from university resources (estimated total authorized cost \$20,000,000; state share \$15,000,000; university share \$5,000,000) .....		100
Michigan State University - plant science facilities - bioeconomy additions and renovations - for program and planning to be paid for from university resources (estimated total authorized cost \$193,600,000; state share \$30,000,000; university share \$163,600,000).....		100
Northern Michigan University - Jamrich hall modernization - for program and planning to be paid for from university resources (estimated total authorized cost \$33,900,000; state share \$25,425,000; university share \$8,475,000) .....		100
Oakland University - engineering center - for program and planning to be paid for from university resources (estimated total authorized cost \$74,551,739; state share \$30,000,000; university share \$44,551,739).....		100
University of Michigan - Ann Arbor - G.G. Brown memorial laboratories renovation - for program and planning to be paid for from university resources (estimated total authorized cost \$64,000,000; state share \$30,000,000; university share \$34,000,000).....		100
University of Michigan - Dearborn - science and computer information science building renovations - for program and planning to be paid for from university revenues resources (estimated total authorized cost \$51,000,000; state share \$30,000,000; university share \$21,000,000) .....		100
University of Michigan - Flint - Murchie science laboratory building renovations - for program and planning to be paid for from university resources (estimated total authorized cost \$22,170,000; state share \$16,627,500; university share \$5,542,500) .....		100
Wayne State University - multi-disciplinary biomedical research building - for program and planning to be paid for from university resources (estimated total authorized cost \$200,000,000; state share \$30,000,000; university share \$170,000,000).....		100
Alpena Community College - electrical power technology education and training center instructional addition project - for program and planning to be paid for from community college resources (estimated total authorized cost \$4,997,500; state share \$2,498,750; community college share \$2,498,750).....		100
Bay de Noc Community College - nursing lab/lecture hall remodeling - for program and planning to be paid for from community college resources (estimated total authorized cost \$1,500,000; state share \$750,000; community college share \$750,000) .....		100
Delta College - health and wellness - F wing renovations - for program and planning to be paid for from community college resources (estimated total authorized cost \$19,984,000; state share \$9,992,000; community college share \$9,992,000) .....		100
Gogebic Community College - building renovation - for program and planning to be paid for from community college resources (estimated total authorized cost \$1,500,000; state share \$750,000; community college share \$750,000) .....		100
Grand Rapids Community College - Cook academic hall renovation - for program and planning to be paid for from community college resources (estimated total authorized cost \$10,000,000; state share \$5,000,000; community college share \$5,000,000) .....		100
Jackson Community College - student services and instructional classrooms - for program and planning to be paid for from community college resources (estimated total authorized cost \$19,500,000; state share \$9,750,000; community college share \$9,750,000) .....		100
Lansing Community College - arts and sciences building renovation - for program and planning to be paid for from community college resources (estimated total authorized cost \$19,950,000; state share \$9,975,000; community college share \$9,975,000) .....		100
Macomb Community College - health science and technology building, phase II - for program and planning to be paid for from community college resources (estimated total authorized cost \$14,500,000; state share \$7,250,000; community college share \$7,250,000).....		100

Mid Michigan Community College - Mt. Pleasant campus unification - for program and planning to be paid for from community college resources (estimated total authorized cost \$17,704,500; state share \$8,852,250; community college share \$8,852,250) .....	\$	100
North Central Michigan College - health education and science center project - for program and planning to be paid for from community college resources (estimated total authorized cost \$10,428,400; state share \$5,214,200; community college share \$5,214,200).....		100
GROSS APPROPRIATION .....	\$	2,000
Appropriated from:		
State general fund/general purpose .....	\$	2,000

**Sec. 104. STATE BUILDING AUTHORITY FINANCED CONSTRUCTION**

**AUTHORIZATIONS**

Henry Ford Community College - science building improvements project (total authorized cost \$15,000,000; state building authority share \$7,499,800; Henry Ford Community College share \$7,500,000; state general fund share \$200) .....	\$	100
Monroe County Community College - technology center project (total authorized cost \$17,000,000; state building authority share \$8,499,800; Monroe County Community College share \$8,500,000; state general fund share \$200).....		100
Ferris State University - college of pharmacy - Grand Rapids (total authorized cost \$8,800,000; state building authority share \$6,599,800; Ferris State University share \$2,200,000; state general fund share \$200) .....		100
Department of technology, management, and budget - state facility preservation projects - phase IV (total authorized costs \$35,000,000; state building authority share \$34,999,900; state general fund share \$100) .....		100
Department of state police - Detroit crime lab (total authorized costs \$15,000,000; state building authority share \$14,999,900; state general fund share \$100).....		100
GROSS APPROPRIATION .....	\$	500
Appropriated from:		
State general fund/general purpose .....	\$	500

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2010-2011 is \$2,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2010-2011 is \$1,200.00.

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

Sec. 203. As used in this act:

- (a) "Board" means the state administrative board.
- (b) "Community college" does not include a state agency or university.
- (c) "Department" means the department of technology, management, and budget.
- (d) "Director" means the director of the department of technology, management, and budget.
- (e) "Fiscal agencies" means the senate fiscal agency and the house fiscal agency.
- (f) "IDG" means interdepartmental grant.
- (g) "JCOS" means the joint capital outlay subcommittee of the appropriations committees.
- (h) "LEED" means the United States green building council's leadership in energy and environmental design green building rating system.

(i) "State agency" means an agency of state government. State agency does not include a community college or university.

(j) "State building authority" means the authority created under 1964 PA 183, MCL 830.411 to 830.425.

(k) "University" means a 4-year university supported by the state. University does not include a community college or a state agency.

Sec. 204. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 205. Unless otherwise specified, departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

### **CAPITAL OUTLAY PROCESSES, PROCEDURES AND REPORTS**

Sec. 401. Each capital outlay project authorized in this act or any previous capital outlay act shall comply with the procedures required by the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 402. A statement of a proposed facility's operating cost shall be included with the facility's program statement and planning documents when the plans are presented to JCOS for approval.

Sec. 403. (1) Before proceeding with final planning and construction for projects at community colleges and universities included in an appropriations act, the community college or university shall sign an agreement with the department that includes the following provisions:

(a) The university or community college agrees to construct the project within the total authorized cost established by the legislature pursuant to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, and an appropriations act.

(b) The design and program scope of the project shall not deviate from the design and program scope represented in the program statement and preliminary planning documents approved by the department.

(c) Any other items as identified by the department that are necessary to complete the project.

(2) The department retains the authority and responsibility normally associated with the prudent maintenance of the public's financial and policy interests relative to the state-financed construction projects managed by a community college or university.

Sec. 404. (1) The department shall provide the JCOS, the state budget director, and the fiscal agencies with reports as considered necessary relative to the status of each planning or construction project financed by the state building authority, by this act, or by previous acts.

(2) Before the end of each fiscal year, the department shall report to the JCOS, the state budget director, and the fiscal agencies for each capital outlay project other than lump sums all of the following:

(a) The account number and name of each construction project.

(b) The balance remaining in each account.

(c) The date of the last expenditure from the account.

(d) The anticipated date of occupancy if the project is under construction.

(e) The appropriations history for the project.

(f) The professional service contractor.

(g) The amount of a project financed with federal funds.

(h) The amount of a project financed through the state building authority.

(i) The total authorized cost for the project and the state authorized share if different than the total.

(3) Before the end of each fiscal year, the department shall report the following for each project by a state agency, university, or community college that is authorized for planning but is not yet authorized for construction:

- (a) The name of the project and account number.
  - (b) Whether a program statement is approved.
  - (c) Whether schematics are approved by the department.
  - (d) Whether preliminary plans are approved by the department.
  - (e) The name of the professional service contractor.
- (4) As used in this section, "project" includes appropriation line items made for purchase of real estate.

Sec. 405. A state agency, college, or university shall take steps necessary to make available federal and other money indicated in this act, to make available federal or other money that may become available for the purposes for which appropriations are made in this act, and to use any part or all of the appropriations to meet matching requirements that are considered to be in the best interest of this state. However, the purpose, scope, and total estimated cost of a project shall not be altered to meet the matching requirements.

Sec. 410. Pursuant to section 242(2) of the management and budget act, 1984 PA 431, MCL 18.1242, the department shall submit 5-year capital outlay plans and capital outlay priority requests developed by state agencies (and as approved by the department of technology, management, and budget), universities, and community colleges to the chairperson and ranking vice-chairperson of JCOS and the fiscal agencies upon the release of the executive budget recommendation.

## **COLLEGES AND UNIVERSITIES**

Sec. 601. (1) This section applies only to projects for community colleges.

(2) State support is directed towards the remodeling and additions, special maintenance, or construction of certain community college buildings. The community college shall obtain or provide for site acquisition and initial main utility installation to operate the facility. Funding shall be comprised of local and state shares, and the state share shall include 50% of any federal money awarded for projects appropriated in this act. Not more than 50% of a capital outlay project, not including a lump-sum special maintenance project or remodeling and addition project, for a community college shall be appropriated from state and federal funds, unless otherwise appropriated by the legislature.

(3) An expenditure under this act is authorized when the release of the appropriation is approved by the board upon the recommendation of the director. The director may recommend to the board the release of any appropriation in part 1 only after the director is assured that the legal entity operating the community college to which the appropriation is made has complied with this act and has matched the amounts appropriated as required by this act. A release of funds in part 1 shall not exceed 50% of the total cost of planning and construction of any project, not including lump-sum remodeling and additions and special maintenance, unless otherwise appropriated by the legislature. Further planning and construction of a project authorized by this act or applicable sections of the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, shall be in accordance with the purpose and scope as defined and delineated in the approved program statements and planning documents. This act is applicable to all projects for which planning appropriations were made in previous acts.

(4) The community college shall take the steps necessary to secure available federal construction and equipment money for projects funded for construction in this act if an application was not previously made. If there is a reasonable expectation that a prior year unfunded application may receive federal money in a subsequent year, the college shall take whatever action necessary to keep the application active. If federal money is received, the state share shall be adjusted accordingly as provided by this act.

Sec. 602. If matching revenues are received in an amount less than the appropriations contained in this act, the state funds of the appropriation shall be reduced in proportion to the amount of matching revenue received.

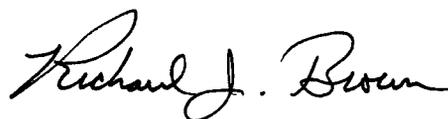
Sec. 603. (1) The director may require that community colleges and universities that have an authorized project listed in part 1 submit documentation regarding the project match and governing board approval of the authorized project not more than 60 days after the beginning of the fiscal year.

(2) If the documentation required by the director under subsection (1) is not submitted, or does not adequately authenticate the availability of the project match or board approval of the authorized project, the authorization may terminate. The authorization terminates 30 days after the director notifies the JCOS of the intent to terminate the project unless the JCOS convenes to extend the authorization.

Sec. 604. The appropriation included in section 103 for university and community college planning project authorizations allow for the completion of program statements and schematic planning documents. These projects will not receive cost and construction authorizations in subsequent budget acts unless there is sufficient bonding capacity available under the state building authority's statutory bond capacity limit.

Sec. 605. The Oakland University human health building project was authorized in 2010 PA 27 with a total project cost of \$61,748,100.00. Oakland University has been awarded grants for the specific purpose of implementing enhanced geothermal technologies and other sustainable design features in the human health building project. Oakland University has estimated that the total cost to construct the human health building project with the enhanced geothermal technologies and other sustainable design features for which grant funds were awarded has increased to \$64,561,200.00. Oakland University will fund the increase in the project cost of \$2,813,100.00 with federal and private foundation grant resources awarded to Oakland University, with the total state commitment remaining at \$40,000,000.00. Therefore, pursuant to section 246 of the management and budget act, 1984 PA 431, MCL 18.1246, the total authorized cost for the Oakland University human health building project is increased from \$61,748,100.00 to an amount not to exceed \$64,561,200.00, with the Oakland University share being \$24,561,200.00, the state building authority share being \$39,999,800.00, and the state general fund/general purpose share being \$200.00.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor

# **COMMUNITY COLLEGES**



Act No. 165  
Public Acts of 2010  
Approved by the Governor  
September 23, 2010  
Filed with the Secretary of State  
September 23, 2010  
EFFECTIVE DATE: September 23, 2010

**STATE OF MICHIGAN  
95TH LEGISLATURE  
REGULAR SESSION OF 2010**

Introduced by Senator Hardiman

# ENROLLED SENATE BILL No. 1151

AN ACT to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2011; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for community colleges and certain other state purposes relating to education for the fiscal year ending September 30, 2011, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**COMMUNITY COLLEGES**

APPROPRIATION SUMMARY

GROSS APPROPRIATION .....	\$	295,880,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	295,880,500
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	295,880,500

**Sec. 102. OPERATIONS**

Alpena Community College .....	\$	5,126,100
Bay de Noc Community College .....		5,178,400
Delta College .....		13,751,600
Glen Oaks Community College .....		2,304,800
Gogebic Community College.....		4,275,200
Grand Rapids Community College .....		17,219,800
Henry Ford Community College .....		20,898,900
Jackson Community College.....		11,542,300
Kalamazoo Valley Community College .....		11,888,600
Kellogg Community College.....		9,311,800
Kirtland Community College.....		2,842,800
Lake Michigan College .....		5,012,100
Lansing Community College .....		29,762,500
Macomb Community College.....		31,773,900
Mid Michigan Community College .....		4,289,200
Monroe County Community College.....		4,142,800
Montcalm Community College .....		2,981,600
C.S. Mott Community College.....		15,016,400
Muskegon Community College.....		8,518,600
North Central Michigan College.....		2,893,600
Northwestern Michigan College .....		8,682,000
Oakland Community College .....		20,133,700
St. Clair County Community College .....		6,729,800
Schoolcraft College .....		11,767,000
Southwestern Michigan College.....		6,276,900
Washtenaw Community College .....		12,149,000
Wayne County Community College .....		15,889,900
West Shore Community College .....		2,198,500
<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>292,557,800</b>
Appropriated from:		
State general fund/general purpose .....	\$	292,557,800

**Sec. 103. GRANTS**

At-risk student success program.....	\$	3,322,700
<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>3,322,700</b>
Appropriated from:		
State general fund/general purpose .....	\$	3,322,700

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2010-2011 is \$295,880,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2010-2011 is \$295,880,500.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

Operations .....	\$	292,557,800
At-risk student success program.....		3,322,700
<b>TOTAL.....</b>	<b>\$</b>	<b>295,880,500</b>

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

Sec. 203. Unless otherwise specified, a community college receiving appropriations in part 1 and the department of energy, labor, and economic growth shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

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

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

Sec. 211. (1) The money appropriated in this act is appropriated for community colleges with fiscal years ending June 30, 2011 and shall be paid out of the state treasury and distributed by the state treasurer to the respective community colleges in 11 monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, 2010. Each community college shall accrue its July and August 2011 payments to its institutional fiscal year ending June 30, 2011. However, if a community college fails to submit all verified Michigan community colleges activities classification structure data for school year 2009-2010 to the department of energy, labor, and economic growth by November 1, 2010, the monthly installments shall be withheld from that community college until those data are submitted. The amount from the money appropriated in part 1 that is allocated to address the special needs of at-risk students shall be paid in full by the state treasurer by November 1, 2010. The amount distributed to a community college or department shall not exceed the net state allocation authorized by this act.

(2) Except as otherwise provided by law, each of the amounts appropriated shall be used solely for the respective purposes stated in this act. The money appropriated in this act may be used to match the cost of any available programs under the Carl D. Perkins vocational and applied technology education act of 1998, 20 USC 2301 to 2414, including local administration.

Sec. 216. (1) A community college shall pay the employer's contributions to the Michigan public school employees' retirement system created by the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, as a condition of receiving money appropriated under this act.

(2) A community college shall not pay an employer's contribution to more than 1 retirement fund providing benefits for an employee.

Sec. 217. Money appropriated in part 1 shall not be used to pay for the construction or maintenance of a self-liquidating project. A community college shall comply with the current use and finance requirements of the joint capital outlay subcommittee (JCOS) for any construction, renovation, or other capital outlay projects pursuant to JCOS policy.

Sec. 224. (1) Recognizing the critical importance of education in strengthening Michigan's workforce, the legislature encourages the state's public community colleges to explore ways of increasing collaboration and cooperation with 4-year universities, particularly in the areas related to training, instruction, and program articulation.

(2) Recognizing the central role of community colleges in responding to local employment needs and challenges, community colleges shall develop and continue efforts to collaborate with local employers and students to identify local employment needs and strategies to meet them.

(3) Community colleges are encouraged to collaborate with each other on innovations to identify and meet local employment needs.

Sec. 234. Community colleges shall do the following:

(a) Undertake active measures to promote equal opportunities, eliminate discrimination, and foster a diverse student body and administration among all people including, but not limited to, women, minorities, seniors, veterans, and people with disabilities.

(b) Review, analyze, and eradicate activities that may tend to discriminate.

Sec. 241. (1) It is the intent of the legislature that community colleges expand their current nursing education programs and increase nursing education program enrollments. This expansion may include, but is not limited to, creating partnerships with hospitals and other health care providers, encouraging programs that assist in placing students at all levels of nursing, recruiting and hiring a larger number of individuals with masters degrees in nursing as instructors, and redirecting existing institutional resources toward nursing education programs.

(2) Community colleges are encouraged to coordinate with the chief nurse executive in the department of community health and with 4-year universities to improve access to nursing programs and to assist students to successfully enter the nursing workforce.

Sec. 242. It is the intent of the legislature that the Michigan community college association, the legislature, and other interested parties continue the discussion regarding payments in lieu of taxes, especially for those community college districts that contain significant portions of nontaxable land.

Sec. 247. Funds appropriated in part 1 shall not be used to enter into a lease for, or to purchase, a vehicle assembled or manufactured outside of the United States if competitively priced and comparable quality vehicles made in the state of Michigan or elsewhere in the United States of America are available.

Sec. 249. It is the intent of the legislature to encourage community college districts to evaluate and pursue efficiency and cost-containment measures that maximize state funding. Community colleges shall identify practices that increase efficiencies, including, but not limited to, establishing joint ventures, consolidating services, utilizing program collaborations, maximizing educational benefits through optimal class sizes and frequency of course offerings, increasing web-based instruction, eliminating low-enrollment and high-cost instructional programs, using self-insurance, practicing energy conservation, and utilizing group purchasing. Efficiency efforts shall also include reviewing proposed capital outlay projects to increase coordination and utilization of new facilities, renovation projects, and technology improvements.

## **STATE AID - OPERATIONS**

Sec. 301. Unless otherwise stated, all data items used in determining state aid in this act are as defined in the “2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges,” which shall be the basis for reporting data, and the “Activities Classification Structure Manual for Michigan Community Colleges,” as amended, which shall be used to document financial needs of the community colleges.

Sec. 302. A community college shall not include in the enrollment data reported for determining state aid under this act any student credit hours or student contact hours for a student incarcerated in a Michigan penal institution. Exclusion of these students is intended to avoid the payment of state aid under this act for the same individuals for whom reimbursement is provided by the state correctional system.

Sec. 304. It is the intent of the legislature that the recommendations and performance measures developed by the performance indicators task force formed pursuant to section 242 of 2005 PA 154 be reviewed and more fully implemented for distribution of state funding to community colleges in future years. Specifically, it is the intent of the legislature that the performance indicators task force review and implement 1 or more measurable data items for the local strategic value indicator and review and implement 1 or more measurable data items for an administrative cost formula component.

## **GRANTS**

Sec. 401. (1) The community college at-risk student success program is continued. The funding shall be prorated among community colleges based on the number of student contact hours for developmental and preparatory instruction reported by each community college to the department of energy, labor, and economic growth pursuant to the “Activities Classification Structure Manual for Michigan Community Colleges,” as amended. Of the amount appropriated in part 1 for the at-risk student success program, \$1,120,000.00 is allocated for base grants of \$40,000.00 each, to address the special needs of at-risk students at community colleges.

(2) Of the amount appropriated in part 1 for the at-risk student success program, the balance of the appropriated money shall be distributed on a proration utilizing the sum of the most recent 3 years' developmental/preparatory contact hours divided by the sum of the 3-year total contact hours at each college. Each community college's percentage shall be divided by the sum of all the percentages systemwide to obtain each community college's prorated grant amount.

(3) For the fiscal year ending September 30, 2011, the at-risk student success program money is allocated as follows:

Alpena Community College .....	\$ 82,100
Bay de Noc Community College.....	77,900
Delta College .....	108,000
Glen Oaks Community College .....	106,600
Gogebic Community College.....	54,900
Grand Rapids Community College.....	135,500
Henry Ford Community College.....	169,600
Jackson Community College.....	146,800
Kalamazoo Valley Community College.....	90,600
Kellogg Community College.....	138,400
Kirtland Community College.....	124,300
Lake Michigan College .....	147,200
Lansing Community College .....	147,800
Macomb Community College.....	83,100
Mid Michigan Community College .....	126,100
Monroe County Community College.....	102,100
Montcalm Community College .....	73,200
C.S. Mott Community College.....	127,700
Muskegon Community College.....	87,600
North Central Michigan College.....	103,800
Northwestern Michigan College .....	127,200
Oakland Community College .....	147,900
St. Clair County Community College .....	104,500
Schoolcraft College.....	124,300
Southwestern Michigan College.....	156,000
Washtenaw Community College .....	117,500
Wayne County Community College .....	166,600
West Shore Community College.....	145,400

(4) As used in this act, "at-risk students" means students who meet 1 or more of the following criteria:

(a) Are initially placed in 1 or more developmental courses as a result of standardized testing or as a result of failure to make satisfactory academic progress.

(b) Are diagnosed as learning disabled.

(c) Require English as a second language (ESL) assistance.

(5) Grant funding under this section shall be utilized to address the special needs of at-risk students. Activities related to services provided to at-risk students include, but are not limited to, pretesting for academic ability, counseling contacts, and special programs. Equipment or information technology hardware or software purchased under this section must be associated with the operation of a program designed to address the needs of at-risk students.

(6) Grant funding under this section shall not be used for indirect costs including, but not limited to, rent, utilities, or, except as provided in this section, college administration.

(7) Each community college shall report to the department of energy, labor, and economic growth a summary of all accomplishments under, expenditures for, and compliance with the intent of this program, including the number of at-risk students served. The report is subject to audit as provided for in section 502(1). The report shall be submitted not later than 90 days after the end of the state's fiscal year.

Sec. 405. A community college receiving funds under this act shall cooperate with the state to comply with the provisions of the American recovery and reinvestment act of 2009, Public Law 111-5, requiring the establishment of a statewide P-20 longitudinal data system.

**REPORTS AND AUDITS**

Sec. 502. (1) The auditor general or a certified public accountant appointed by the auditor general may conduct performance audits of community colleges as the auditor general considers necessary.

(2) Not more than 60 days after an audit report is released by the office of the auditor general, the principal executive officer of the community college that was audited shall submit to the house and senate appropriations committees, the house and senate fiscal agencies, the department of energy, labor, and economic growth, the auditor general, and the state budget director a plan to comply with audit recommendations. The plan shall contain projected dates and resources required, if any, to achieve compliance with the audit recommendations, or a documented explanation of the college's noncompliance with the audit recommendations concerning the matters on which the audited community college and office of the auditor general disagree.

Sec. 504. (1) A community college shall retain certified class summaries, class lists, registration documents, and student transcripts that are consistent with the taxonomy of courses. For each enrollment period during the fiscal year, these certified documents shall identify clearly by course the number of in-district and out-of-district student credit and contact hours. The class summaries and class lists shall be consistent with each other and shall include the course prefix and numbers, course title, course credit and contact hours, credit and contact hours generated by each student, and activity classifications consistent with the taxonomy. An auditable process shall be used by the community college to determine the unduplicated head count for in-district students, out-of-district students, and prisoners for each enrollment period during the fiscal year.

(2) Contracts between the community college and agencies that reimburse the community college for the costs of instruction shall be retained for audit purposes.

Sec. 505. Each community college shall have an annual audit of all income and expenditures performed by an independent auditor and shall furnish the independent auditor's management letter and an annual audited accounting of all general and current funds income and expenditures including audits of college foundations to the members of the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, the auditor general, the department of energy, labor, and economic growth, and the state budget director before November 15, 2010. If a community college fails to furnish the audit materials, the monthly state aid installments shall be withheld from that college until the information is submitted. All reporting shall conform to the requirements set forth in the "2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges."

Sec. 506. (1) Each community college shall report the following to the department of energy, labor, and economic growth no later than November 1, 2010:

(a) The number of North American Indian students enrolled each term for the previous fiscal year, using guidelines and procedures developed by the department of energy, labor, and economic growth and the Michigan commission on Indian affairs.

(b) The number of North American Indian tuition waivers granted each term, and the monetary value of the waivers for the previous fiscal year.

(2) Colleges shall use the criteria cited in 1976 PA 174, MCL 390.1251 to 390.1253, to determine eligibility for tuition waivers, and shall grant those waivers to individuals who meet the criteria and request tuition waivers.

Sec. 507. Upon request, a community college shall inform interested Michigan high schools of the aggregate academic status of its students for the prior academic year, in a manner prescribed by the Michigan community college association and in cooperation with the Michigan association of secondary school principals.

Sec. 508. Each community college shall report to the house and senate fiscal agencies, the state budget director, and the department of energy, labor, and economic growth by August 31, 2010, the tuition and mandatory fees paid by a full-time in-district student and a full-time out-of-district student as established by the college governing board for the 2010-2011 academic year. This report should also include the annual cost of attendance based on a full-time course load of 30 credits. Each community college shall also report any revisions to the reported 2010-2011 academic year tuition and mandatory fees adopted by the college governing board to the house and senate fiscal agencies, the state budget director, and the department of energy, labor, and economic growth within 15 days of being adopted.

Sec. 509. Each community college shall report to the department of energy, labor, and economic growth the numbers and type of associate degrees and other certificates awarded during the previous fiscal year. The report shall be made not later than November 15, 2010.

Sec. 510. A community college receiving funding under this act and also subject to the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381, shall make a copy of all material prepared in accordance with the public information reporting requirements under the crime awareness and campus security act of 1990, title II of the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2384, available in hard copy and electronic format accessible through the Internet for school districts, parents, and students.

This act is ordered to take immediate effect.

*Carol Morey Viventi*

Secretary of the Senate

*Richard J. Brown*

Clerk of the House of Representatives

Approved .....

.....  
Governor



# **COMMUNITY HEALTH**



Act No. 187  
Public Acts of 2010  
Approved by the Governor\*  
September 30, 2010  
Filed with the Secretary of State  
September 30, 2010  
EFFECTIVE DATE: September 30, 2010

\*Item Vetoes

**Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES**

Early childhood collaborative secondary prevention ..... \$ 100 (Page 6)

**Sec. 285.**

Entire Section. (Pages 14-15)

**Sec. 1112**

Entire Section. (Page 26)

**Sec. 1139**

Entire Section. (Page 27)



**STATE OF MICHIGAN  
95TH LEGISLATURE  
REGULAR SESSION OF 2010**

Introduced by Senator Kahn

# ENROLLED SENATE BILL No. 1152

AN ACT to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2011; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of community health for the fiscal year ending September 30, 2011, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF COMMUNITY HEALTH**

**APPROPRIATION SUMMARY**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	4,393.8	
Average population.....	893.0	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 14,124,179,800</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....	54,020,800	
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 14,070,159,000</b>
Federal revenues:		
Total other federal revenues.....	8,823,755,700	
Total federal revenues (ARRA).....	650,327,000	
Special revenue funds:		
Total local revenues.....	235,104,200	
Total private revenues .....	88,103,600	
Merit award trust fund.....	86,457,600	
Total other state restricted revenues .....	1,764,889,500	
State general fund/general purpose .....		<b>\$ 2,421,521,400</b>

**Sec. 102. DEPARTMENTWIDE ADMINISTRATION**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	175.2	
Director and other unclassified—6.0 FTE positions .....		\$ 583,900
Departmental administration and management—165.2 FTE positions .....		22,421,800
Departmentwide health projects (ARRA) .....		5,000,000
Worker's compensation program .....		8,855,200
Rent and building occupancy .....		10,862,500
Developmental disabilities council and projects—10.0 FTE positions .....		2,825,400
GROSS APPROPRIATION .....		\$ 50,548,800
Appropriated from:		
Federal revenues:		
Total other federal revenues .....		13,747,000
Federal revenues (ARRA) .....		5,000,000
Special revenue funds:		
Total private revenues .....		35,900
Total other state restricted revenues .....		2,507,400
State general fund/general purpose .....		\$ 29,258,500

**Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS**

Full-time equated classified positions .....	107.5	
Mental health/substance abuse program administration—106.5 FTE positions .....		\$ 13,669,800
Gambling addiction—1.0 FTE position .....		3,000,000
Protection and advocacy services support .....		194,400
Community residential and support services .....		1,893,500
Highway safety projects .....		400,000
Federal and other special projects .....		2,497,200
Family support subsidy .....		19,470,500
Housing and support services .....		9,306,800
GROSS APPROPRIATION .....		\$ 50,432,200
Federal revenues:		
Total federal revenues .....		35,287,800
Special revenue funds:		
Total private revenues .....		190,000
Total other state restricted revenues .....		3,000,000
State general fund/general purpose .....		\$ 11,954,400

**Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS**

Full-time equated classified positions .....	9.5	
Medicaid mental health services .....		\$ 2,019,515,600
Community mental health non-Medicaid services .....		282,275,100
Medicaid adult benefits waiver .....		41,386,000
Mental health services for special populations .....		6,873,800
Medicaid substance abuse services .....		41,174,800
CMHSP, purchase of state services contracts .....		127,730,800
Civil service charges .....		1,499,300
Federal mental health block grant—2.5 FTE positions .....		15,384,700
State disability assistance program substance abuse services .....		2,243,100
Community substance abuse prevention, education and treatment programs .....		83,515,200
Children's waiver home care program .....		21,049,800
Nursing home PAS/ARR-OBRA—7.0 FTE positions .....		12,144,700
Children with serious emotional disturbance waiver .....		7,188,000
GROSS APPROPRIATION .....		\$ 2,661,980,900
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from the department of human services .....		1,769,000

Federal revenues:	
Total other federal revenues.....	\$ 1,493,564,500
Federal FMAP stimulus (ARRA) .....	116,024,300
Special revenue funds:	
Total local revenues.....	25,228,900
Total other state restricted revenues .....	22,280,600
State general fund/general purpose .....	\$ 1,003,113,600

**Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES**

Total average population.....	893.0
Full-time equated classified positions.....	2,590.5
Caro Regional Mental Health Center - psychiatric hospital - adult—468.3 FTE positions .....	\$ 55,012,200
Average population.....	185.0
Kalamazoo Psychiatric Hospital - adult—483.1 FTE positions.....	53,272,000
Average population.....	189.0
Walter P. Reuther Psychiatric Hospital - adult—433.3 FTE positions .....	49,818,900
Average population.....	234.0
Hawthorn Center - psychiatric hospital - children and adolescents—230.9 FTE positions .....	25,809,600
Average population.....	75.0
Center for forensic psychiatry—578.6 FTE positions .....	64,206,000
Average population.....	210.0
Forensic mental health services provided to the department of corrections—396.3 FTE positions.....	50,527,800
Revenue recapture .....	750,000
IDEA, federal special education .....	120,000
Special maintenance .....	332,500
Purchase of medical services for residents of hospitals and centers .....	445,600
Gifts and bequests for patient living and treatment environment.....	1,000,000
<b>GROSS APPROPRIATION .....</b>	<b>\$ 301,294,600</b>
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of corrections.....	50,527,800
Federal revenues:	
Total other federal revenues.....	28,582,800
Federal FMAP stimulus (ARRA) .....	1,580,500
Special revenue funds:	
CMHSP, purchase of state services contracts.....	127,730,800
Other local revenues .....	16,824,700
Total private revenues .....	1,000,000
Total other state restricted revenues .....	15,655,900
State general fund/general purpose .....	\$ 59,392,100

**Sec. 106. PUBLIC HEALTH ADMINISTRATION**

Full-time equated classified positions.....	91.7
Public health administration—7.3 FTE positions.....	\$ 1,475,800
Minority health grants and contracts—3.0 FTE positions .....	1,111,000
Promotion of healthy behaviors .....	975,900
Public health projects (ARRA).....	5,000,000
Vital records and health statistics—81.4 FTE positions.....	9,238,900
<b>GROSS APPROPRIATION .....</b>	<b>\$ 17,801,600</b>
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of human services.....	1,148,200
Federal revenues:	
Total other federal revenues.....	4,946,900
Federal revenues (ARRA).....	5,000,000

Special revenue funds:	
Total private revenues .....	\$ 300,000
Total other state restricted revenues .....	5,232,500
State general fund/general purpose .....	\$ 1,174,000

**Sec. 107. HEALTH POLICY, REGULATION, AND PROFESSIONS**

Full-time equated classified positions .....	441.6	
Health systems administration—199.6 FTE positions .....	\$ 21,322,200	
Emergency medical services program state staff—8.5 FTE positions .....	1,308,300	
Radiological health administration—21.4 FTE positions .....	3,060,800	
Emergency medical services grants and services .....	660,000	
Health professions—157.0 FTE positions .....	25,978,300	
Background check program—5.5 FTE positions .....	2,705,400	
Health policy and regulation—30.2 FTE positions .....	3,728,100	
Nurse scholarship, education, and research program—3.0 FTE positions .....	1,727,800	
Certificate of need program administration—14.0 FTE positions .....	2,008,400	
Rural health services—1.0 FTE position .....	1,407,400	
Michigan essential health provider.....	872,700	
Primary care services—1.4 FTE positions .....	4,349,300	
Primary care services (ARRA).....	5,000,000	
<b>GROSS APPROPRIATION .....</b>	<b>\$ 74,128,700</b>	

Appropriated from:

Interdepartmental grant revenues:	
Interdepartmental grant from the department of treasury, Michigan state hospital finance authority .....	116,300
Federal revenues:	
Total other federal revenues.....	26,298,800
Federal revenues (ARRA).....	5,000,000
Special revenue funds:	
Total local revenues.....	100,000
Total private revenues .....	455,000
Total other state restricted revenues .....	31,772,400
State general fund/general purpose .....	\$ 10,386,200

**Sec. 108. INFECTIOUS DISEASE CONTROL**

Full-time equated classified positions .....	50.7	
AIDS prevention, testing, and care programs—12.7 FTE positions .....	\$ 54,441,000	
Immunization local agreements .....	13,725,200	
Immunization program management and field support—15.0 FTE positions .....	2,094,900	
Pediatric AIDS prevention and control—1.0 FTE position .....	1,231,300	
Sexually transmitted disease control local agreements.....	3,360,700	
Sexually transmitted disease control management and field support—22.0 FTE positions .....	3,735,700	
<b>GROSS APPROPRIATION .....</b>	<b>\$ 78,588,800</b>	

Appropriated from:

Federal revenues:	
Total other federal revenues.....	43,433,200
Special revenue funds:	
Total private revenues .....	22,707,700
Total other state restricted revenues .....	9,575,500
State general fund/general purpose .....	\$ 2,872,400

**Sec. 109. LABORATORY SERVICES**

Full-time equated classified positions .....	109.0	
Laboratory services—109.0 FTE positions .....	\$ 16,839,300	
<b>GROSS APPROPRIATION .....</b>	<b>\$ 16,839,300</b>	

Appropriated from:

Interdepartmental grant revenues:	
Interdepartmental grant from the department of natural resources and environment.....	459,500

Federal revenues:	
Total federal revenues .....	\$ 1,818,100
Special revenue funds:	
Total other state restricted revenues .....	7,949,500
State general fund/general purpose .....	\$ 6,612,200

**Sec. 110. EPIDEMIOLOGY**

Full-time equated classified positions .....	127.7
AIDS surveillance and prevention program .....	\$ 2,254,100
Asthma prevention and control—2.6 FTE positions .....	857,100
Bioterrorism preparedness—68.6 FTE positions .....	49,169,900
Epidemiology administration—39.0 FTE positions .....	8,043,300
Lead abatement program—7.0 FTE positions .....	2,436,000
Newborn screening follow-up and treatment services—10.5 FTE positions .....	4,730,600
Tuberculosis control and prevention .....	867,000
GROSS APPROPRIATION .....	\$ 68,358,000
Appropriated from:	
Federal revenues:	
Total federal revenues .....	61,002,200
Special revenue funds:	
Total private revenues .....	25,000
Total other state restricted revenues .....	5,559,100
State general fund/general purpose .....	\$ 1,771,700

**Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS**

Essential local public health services .....	\$ 39,082,800
Implementation of 1993 PA 133, MCL 333.17015 .....	20,000
Local health services .....	600,000
Medicaid outreach cost reimbursement to local health departments .....	9,000,000
GROSS APPROPRIATION .....	\$ 48,702,800
Appropriated from:	
Federal revenues:	
Total federal revenues .....	9,500,000
Special revenue funds:	
Total local revenues .....	5,150,000
Total other state restricted revenues .....	100,000
State general fund/general purpose .....	\$ 33,952,800

**Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION**

Full-time equated classified positions .....	75.5
Alzheimer's information network .....	\$ 99,500
Cancer prevention and control program—12.0 FTE positions .....	14,555,100
Chronic disease control and health promotion administration—33.4 FTE positions .....	6,664,800
Diabetes and kidney program—12.2 FTE positions .....	2,570,100
Injury control intervention project .....	200,000
Public health traffic safety coordination—1.0 FTE position .....	287,500
Smoking prevention program—14.0 FTE positions .....	4,643,600
Violence prevention—2.9 FTE positions .....	1,676,700
GROSS APPROPRIATION .....	\$ 30,697,300
Appropriated from:	
Federal revenues:	
Total federal revenues .....	23,014,000
Special revenue funds:	
Total private revenues .....	61,600
Total other state restricted revenues .....	5,804,900
State general fund/general purpose .....	\$ 1,816,800

**Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES**

Full-time equated classified positions.....	53.6	
Childhood lead program—6.0 FTE positions .....		\$ 1,593,500
Dental programs—3.0 FTE positions .....		992,600
Dental program for persons with developmental disabilities.....		151,000
Early childhood collaborative secondary prevention .....		100
Family, maternal, and children's health services administration—43.6 FTE positions.....		5,851,600
Family planning local agreements.....		9,085,700
Local MCH services .....		7,018,100
Pregnancy prevention program .....		1,707,300
Prenatal care outreach and service delivery support .....		50,100
School health and education programs—1.0 FTE position .....		405,500
Special projects .....		4,665,200
Sudden infant death syndrome program.....		321,300
<b>GROSS APPROPRIATION .....</b>		<b>\$ 31,842,000</b>
Appropriated from:		
Federal revenues:		
Total federal revenues .....		26,533,600
Special revenue funds:		
Total local revenues .....		75,000
Total other state restricted revenues .....		1,505,200
State general fund/general purpose .....		\$ 3,728,200

**Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM**

Full-time equated classified positions.....	45.0	
Women, infants, and children program administration and special projects—45.0 FTE positions... ..		\$ 13,597,400
Women, infants, and children program local agreements and food costs.....		253,825,500
<b>GROSS APPROPRIATION .....</b>		<b>\$ 267,422,900</b>
Appropriated from:		
Federal revenues:		
Total federal revenues .....		208,812,700
Special revenue funds:		
Total private revenues.....		58,610,200
State general fund/general purpose .....		\$ 0

**Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES (CSHCS)**

Full-time equated classified positions.....	47.8	
Children's special health care services administration—45.0 FTE positions .....		\$ 5,081,000
Bequests for care and services—2.8 FTE positions.....		1,511,400
Outreach and advocacy .....		3,773,500
Nonemergency medical transportation.....		2,679,300
Medical care and treatment .....		241,368,200
<b>GROSS APPROPRIATION .....</b>		<b>\$ 254,413,400</b>
Appropriated from:		
Federal revenues:		
Total other federal revenues.....		142,332,700
Federal FMAP stimulus (ARRA) .....		9,686,700
Special revenue funds:		
Total private revenues .....		996,800
Total other state restricted revenues .....		3,839,600
State general fund/general purpose .....		\$ 97,557,600

**Sec. 116. CRIME VICTIM SERVICES COMMISSION**

Full-time equated classified positions.....	11.0	
Grants administration services—11.0 FTE positions .....		\$ 1,539,800
Justice assistance grants .....		13,000,000
Crime victim rights services grants.....		12,500,000
<b>GROSS APPROPRIATION .....</b>		<b>\$ 27,039,800</b>

Appropriated from:	
Federal revenues:	
Total federal revenues .....	\$ 16,563,700
Special revenue funds:	
Total other state restricted revenues .....	10,476,100
State general fund/general purpose .....	\$ 0

**Sec. 117. OFFICE OF SERVICES TO THE AGING**

Full-time equated classified positions .....	43.5
Office of services to aging administration—43.5 FTE positions .....	\$ 7,073,600
Community services .....	34,269,400
Nutrition services .....	35,360,200
Foster grandparent volunteer program .....	2,233,600
Retired and senior volunteer program .....	627,300
Senior companion volunteer program .....	1,604,400
Employment assistance .....	3,792,500
Respite care program .....	5,868,700
GROSS APPROPRIATION .....	\$ 90,829,700

Appropriated from:	
Federal revenues:	
Total federal revenues .....	56,707,800
Special revenue funds:	
Total private revenues .....	607,500
Merit award trust fund .....	4,468,700
Total other state restricted revenues .....	1,400,000
State general fund/general purpose .....	\$ 27,645,700

**Sec. 118. MEDICAL SERVICES ADMINISTRATION**

Full-time equated classified positions .....	414.0
Medical services administration—414.0 FTE positions .....	\$ 65,703,000
Facility inspection contract .....	132,800
MIChild administration .....	4,327,800
State health information exchange (ARRA) .....	8,000,000
GROSS APPROPRIATION .....	\$ 78,163,600

Appropriated from:	
Federal revenues:	
Total other federal revenues .....	48,151,600
Federal revenues (ARRA) .....	8,000,000
Special revenue funds:	
Total local revenues .....	105,900
Total private revenues .....	100,000
Total other state restricted revenues .....	105,300
State general fund/general purpose .....	\$ 21,700,800

**Sec. 119. MEDICAL SERVICES**

Hospital services and therapy .....	\$ 1,308,254,500
Hospital disproportionate share payments .....	52,500,000
Physician services .....	301,252,900
Medicare premium payments .....	399,490,400
Pharmaceutical services .....	401,414,600
Home health services .....	6,109,200
Hospice services .....	115,000,000
Transportation .....	15,481,300
Auxiliary medical services .....	5,487,500
Dental services .....	145,313,300
Ambulance services .....	11,335,700
Long-term care services .....	1,687,362,700
Medicaid home- and community-based services waiver .....	183,723,300
Adult home help services .....	304,928,900

	For Fiscal Year Ending Sept. 30, 2011
Personal care services .....	\$ 24,409,600
Program of all-inclusive care for the elderly .....	23,600,000
Health plan services.....	4,028,012,700
MICchild program.....	52,709,100
Plan first family planning waiver .....	11,269,900
Medicaid adult benefits waiver .....	124,208,300
Special indigent care payments.....	88,518,500
Federal Medicare pharmaceutical program.....	152,119,200
Promotion of healthy behavior waiver .....	10,000,000
Maternal and child health.....	20,279,500
Subtotal basic medical services program .....	9,472,781,100
School-based services.....	91,296,500
Special Medicaid reimbursement .....	359,191,500
Subtotal special medical services payments .....	450,488,000
GROSS APPROPRIATION .....	\$ 9,923,269,100
Appropriated from:	
Federal revenues:	
Total other federal revenues.....	6,547,019,700
Federal FMAP stimulus (ARRA) .....	500,035,500
Special revenue funds:	
Total local revenues.....	59,888,900
Total private revenues.....	3,013,900
Merit award trust fund.....	81,988,900
Total other state restricted revenues .....	1,634,933,200
State general fund/general purpose .....	\$ 1,096,389,000
 <b>Sec. 120. INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ 35,025,200
Michigan Medicaid information system .....	16,801,100
GROSS APPROPRIATION .....	\$ 51,826,300
Appropriated from:	
Federal revenues:	
Total federal revenues .....	36,438,600
Special revenue funds:	
Total other state restricted revenues .....	3,192,300
State general fund/general purpose .....	\$ 12,195,400

## PART 2

### PROVISIONS CONCERNING APPROPRIATIONS

#### GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2010-2011 is \$4,272,868,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2010-2011 is \$1,259,130,700.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

#### DEPARTMENT OF COMMUNITY HEALTH

##### MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS

Community residential and support services .....	\$ 286,400
Housing and support services .....	599,800

##### COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

State disability assistance program substance abuse services .....	\$ 2,243,100
Community substance abuse prevention, education, and treatment programs .....	14,292,500

Medicaid mental health services .....	555,428,800
Community mental health non-Medicaid services .....	282,275,100
Medicaid adult benefits waiver .....	11,845,800
Mental health services for special populations.....	6,873,800
Medicaid substance abuse services.....	11,829,500
Children's waiver home care program.....	5,622,000
Nursing home PASARR.....	2,702,400
<b>PUBLIC HEALTH ADMINISTRATION</b>	
Minority health grants and contracts .....	\$ 190,000
<b>HEALTH POLICY, REGULATION, AND PROFESSIONS</b>	
Primary care services .....	\$ 88,900
<b>INFECTIOUS DISEASE CONTROL</b>	
AIDS prevention, testing, and care programs .....	\$ 1,000,000
Immunization local agreements .....	1,750,000
Sexually transmitted disease control local agreements.....	235,200
<b>LABORATORY SERVICES</b>	
Laboratory services .....	\$ 13,700
<b>LOCAL HEALTH ADMINISTRATION AND GRANTS</b>	
Implementation of 1993 PA 133, MCL 333.17015 .....	\$ 8,000
Essential local public health services.....	33,932,800
<b>CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION</b>	
Cancer prevention and control program .....	\$ 450,000
Chronic disease control and health promotion administration .....	261,600
Diabetes and kidney program .....	54,500
Smoking prevention program.....	800,000
<b>FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES</b>	
Childhood lead program .....	\$ 51,100
Pregnancy prevention program .....	90,000
School health education programs.....	250,000
<b>CHILDREN'S SPECIAL HEALTH CARE SERVICES</b>	
Medical care and treatment .....	\$ 895,700
Outreach and advocacy .....	1,237,500
<b>MEDICAL SERVICES</b>	
Dental services.....	\$ 2,005,600
Long-term care services.....	269,214,200
Transportation.....	2,572,700
Medicaid adult benefits waiver .....	6,186,600
Hospital services and therapy .....	5,316,800
Physician services.....	4,251,500
<b>OFFICE OF SERVICES TO THE AGING</b>	
Community services.....	\$ 12,233,500
Nutrition services.....	8,787,000
Foster grandparent volunteer program .....	679,800
Retired and senior volunteer program .....	175,000
Senior companion volunteer program.....	215,000
Respite care program .....	5,384,800
<b>CRIME VICTIM SERVICES COMMISSION</b>	
Crime victim rights services grants.....	\$ 6,800,000
<b>TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT .....</b>	<b>\$ 1,259,130,700</b>

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

(2) Funds for which the state is acting as the custodian or agent are not subject to annual appropriation.

Sec. 203. As used in this act:

(a) "AIDS" means acquired immunodeficiency syndrome.

(b) "ARRA" means the American recovery and reinvestment act of 2009, Public Law 111-5.

(c) "CMHSP" means a community mental health services program as that term is defined in section 100a of the mental health code, 1974 PA 258, MCL 330.1100a.

(d) "Current fiscal year" means the fiscal year ending September 30, 2011.

(e) "Department" means the Michigan department of community health.

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

(g) "DSH" means disproportionate share hospital.

(h) "EPSDT" means early and periodic screening, diagnosis, and treatment.

(i) "Federal poverty level" means the poverty guidelines published annually in the federal register by the United States department of health and human services under its authority to revise the poverty line under 42 USC 9902.

(j) "FMAP" means federal medical assistance percentages.

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

(l) "GME" means graduate medical education.

(m) "Health plan" means, at a minimum, an organization that meets the criteria for delivering the comprehensive package of services under the department's comprehensive health plan.

(n) "HIV/AIDS" means human immunodeficiency virus/acquired immune deficiency syndrome.

(o) "HMO" means health maintenance organization.

(p) "IDEA" means the individuals with disabilities education act, 20 USC 1400 to 1482.

(q) "IDG" means interdepartmental grant.

(r) "MCH" means maternal and child health.

(s) "MIChild" means the program described in section 1670.

(t) "MIHP" means the maternal infant health program.

(u) "PASARR" means the preadmission screening and annual resident review required under the omnibus budget reconciliation act of 1987, section 1919(e)(7) of the social security act, and 42 USC 1396r.

(v) "PIHP" means a specialty prepaid inpatient health plan for Medicaid mental health services, services to persons with developmental disabilities, and substance abuse services as described in section 232b of the mental health code, 1974 PA 258, MCL 330.1232b.

(w) "Title XVIII" and "Medicare" mean title XVIII of the social security act, 42 USC 1395 to 1395iii.

(x) "Title XIX" and "Medicaid" mean title XIX of the social security act, 42 USC 1396 to 1396w-2.

(y) "Title XX" means title XX of the social security act, 42 USC 1397 to 1397f.

(z) "WIC program" means the women, infants, and children supplemental nutrition program.

Sec. 204. The civil service commission shall bill the department at the end of the first fiscal quarter for the charges authorized by section 5 of article XI of the state constitution of 1963. The department shall pay the total amount of the billing by the end of the second fiscal quarter.

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

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

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000,000.00 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 \$20,000,000.00 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 \$10,000,000.00 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.

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

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

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

Sec. 211. (1) If the revenue collected by the department from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward with the approval of the state budget director into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

(2) The department shall provide a report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the balance of each of the restricted funds administered by the department as of September 30 of the current fiscal year.

Sec. 212. (1) On or before February 1 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on the detailed name and amounts of federal, restricted, private, and local sources of revenue that support the appropriations in each of the line items in part 1 of this act.

(2) Upon the release of the next fiscal year executive budget recommendation, the department shall report to the same parties in subsection (1) on the amounts and detailed sources of federal, restricted, private, and local revenue proposed to support the total funds appropriated in each of the line items in part 1 of the next fiscal year executive budget proposal.

Sec. 213. The state departments, agencies, and commissions receiving tobacco tax funds and healthy Michigan funds from part 1 shall report by April 1 of the current fiscal year to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director on the following:

(a) Detailed spending plan by appropriation line item including description of programs and a summary of organizations receiving these funds.

(b) Description of allocations or bid processes including need or demand indicators used to determine allocations.

(c) Eligibility criteria for program participation and maximum benefit levels where applicable.

(d) Outcome measures used to evaluate programs, including measures of the effectiveness of these programs in improving the health of Michigan residents.

(e) Any other information considered necessary by the house of representatives or senate appropriations committees or the state budget director.

Sec. 214. The use of state restricted tobacco tax revenue received for the purpose of tobacco prevention, education, and reduction efforts and deposited in the healthy Michigan fund shall not be used for lobbying as defined in section 5 of 1978 PA 472, MCL 4.415, and shall not be used in attempting to influence the decisions of the legislature, the governor, or any state agency.

Sec. 215. (1) The department shall report to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies by no later than April 1 of the current fiscal year on each specific policy change made by the department to implement a public act affecting that department that took effect during the preceding calendar year.

(2) Funds appropriated in part 1 shall not be used by the department to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(3) As used in this section:

(a) "Rule" means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

(b) "Small business" means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

Sec. 216. (1) In addition to funds appropriated in part 1 for all programs and services, there is appropriated for write-offs of accounts receivable, deferrals, and for prior year obligations in excess of applicable prior year appropriations, an amount equal to total write-offs and prior year obligations, but not to exceed amounts available in prior year revenues.

(2) The department's ability to satisfy appropriation deductions in part 1 shall not be limited to collections and accruals pertaining to services provided in the current fiscal year, but shall also include reimbursements, refunds, adjustments, and settlements from prior years.

(3) The department shall report by March 15 of the current fiscal year to the house of representatives and senate appropriations subcommittees on community health on all reimbursements, refunds, adjustments, and settlements from prior years.

Sec. 218. The department shall include the following in its annual list of proposed basic health services as required in part 23 of the public health code, 1978 PA 368, MCL 333.2301 to 333.2321:

(a) Immunizations.

(b) Communicable disease control.

(c) Sexually transmitted disease control.

(d) Tuberculosis control.

(e) Prevention of gonorrhea eye infection in newborns.

(f) Screening newborns for the conditions listed in section 5431 of the public health code, 1978 PA 368, MCL 333.5431, or recommended by the newborn screening quality assurance advisory committee created under section 5430 of the public health code, 1978 PA 368, MCL 333.5430.

(g) Community health annex of the Michigan emergency management plan.

(h) Prenatal care.

Sec. 219. (1) The department may contract with the Michigan public health institute for the design and implementation of projects and for other public health-related activities prescribed in section 2611 of the public health code, 1978 PA 368, MCL 333.2611. The department may develop a master agreement with the institute to carry out these purposes for up to a 3-year period. The department shall report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on or before November 1 and May 1 of the current fiscal year all of the following:

(a) A detailed description of each funded project.

(b) The amount allocated for each project, the appropriation line item from which the allocation is funded, and the source of financing for each project.

(c) The expected project duration.

(d) A detailed spending plan for each project, including a list of all subgrantees and the amount allocated to each subgrantee.

(2) On or before September 30 of the current fiscal year, the department shall provide to the same parties listed in subsection (1) a copy of all reports, studies, and publications produced by the Michigan public health institute, its subcontractors, or the department with the funds appropriated in part 1 and allocated to the Michigan public health institute.

Sec. 220. All contracts with the Michigan public health institute funded with appropriations in part 1 shall include a requirement that the Michigan public health institute submit to financial and performance audits by the state auditor general of projects funded with state appropriations.

Sec. 223. The department may establish and collect fees for publications, videos and related materials, conferences, and workshops. Collected fees shall be used to offset expenditures to pay for printing and mailing costs of the publications, videos and related materials, and costs of the workshops and conferences. The department shall not collect fees under this section that exceed the cost of the expenditures.

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

Sec. 264. (1) Upon submission of a Medicaid waiver, a Medicaid state plan amendment, or a similar proposal to the centers for Medicare and Medicaid services, the department shall notify the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies of the submission.

(2) The department shall provide written or verbal biannual reports to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies summarizing the status of any new or ongoing discussions with the centers for Medicare and Medicaid services or the federal department of health and human services regarding potential or future Medicaid waiver applications.

Sec. 265. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed.

Sec. 266. (1) Due to the current budgetary problems in this state, out-of-state travel shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Sec. 267. A department or state agency shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 270. Within 180 days after receipt of the notification from the attorney general's office of a legal action in which expenses had been recovered pursuant to section 106(4) of the social welfare act, 1939 PA 280, MCL 400.106, or any other statute under which the department has the right to recover expenses, the department shall submit a written report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office which includes, at a minimum, all of the following:

- (a) The total amount recovered from the legal action.
- (b) The program or service for which the money was originally expended.
- (c) Details on the disposition of the funds recovered such as the appropriation or revenue account in which the money was deposited.
- (d) A description of the facts involved in the legal action.

Sec. 271. (1) The department, in cooperation with a PIHP, a Medicaid HMO, or a federally qualified health center shall establish and implement an early mental health services intervention pilot project. This project shall provide care coordination, disease management, and pharmacy management to eligible recipients suffering from chronic disease, including, but not limited to, diabetes, asthma, substance addiction, or stroke. Participating organizations may make use of data sharing, joint information technology efforts, and financial incentives to health providers and recipients in this project. The department shall encourage that each CMHSP and Medicaid health plan act in a coordinated manner in the establishment of their respective electronic medical record systems.

(2) The pilot project shall make use of preestablished objectives and outcome measures to determine the cost effectiveness of the project. Participating organizations shall collect data to study and monitor the correlation between early mental health treatment services to program participants and improvement in the management of their chronic disease.

(3) The department shall request any necessary Medicaid state plan amendments or waivers to ensure participation in this project by eligible Medicaid recipients.

(4) A progress report on the pilot project shall be provided to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director no later than May 1 of the current fiscal year.

Sec. 276. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 282. (1) The department, through its organizational units responsible for departmental administration, operation, and finance, shall establish uniform definitions, standards, and instructions for the classification, allocation, assignment, calculation, recording, and reporting of administrative costs by the following entities:

(a) Coordinating agencies on substance abuse and the Salvation Army harbor light program that receive payment or reimbursement from funds appropriated under section 104.

(b) Area agencies on aging and local providers that receive payment or reimbursement from funds appropriated under section 117.

(2) By May 15 of the current fiscal year, the department shall provide a written draft of its proposed definitions, standards, and instructions to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director.

Sec. 285. (1) By July 1 of the current fiscal year, the department shall expand its current prescription drug website to provide all of the following information:

(a) The 150 most commonly prescribed brand-name drug products under the Medicaid program and, if available, their generic equivalents.

(b) The most commonly prescribed brand-name drug products used for the treatment of all major illnesses and diseases, if not already included under subdivision (a), and, if available, their generic equivalents.

(c) The usual and customary price of each brand-name and generic prescription drug listed.

(d) The dosage, including the number of doses and dosage strength, on which the price is based.

(e) Names and addresses for the pharmacies associated with the listed prescription drugs.

(f) A minimum of 5 links to other useful websites that can provide assistance to consumers.

(g) The department's toll-free telephone number that residents of this state may call to determine which prescription drug programs they may be eligible for, including free and discounted prescription drug programs.

(h) An advisory statement alerting consumers of the need to tell their health professionals and pharmacists about all the medications they are taking so that they know how to avoid harmful interactions between medications.

(i) An advisory statement alerting consumers that the price posted for a listed drug product is only for the strength and quantity posted.

(j) A date stamp indicating the most recent date the usual and customary price of each brand-name and generic prescription drug listed was updated.

(k) A notation indicating a prescription drug price was corrected.

(2) The department shall provide a progress report on these efforts to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by May 1 of the current fiscal year.

Sec. 287. Not later than December 1, 2010, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the fiscal agencies.

Sec. 292. (1) On a quarterly basis, the department shall report on the number of full-time equated positions in pay status by civil service classification to the senate and house of representatives standing committees on appropriations subcommittees on community health and the senate and house fiscal agencies.

(2) From the funds appropriated in part 1, the department shall develop, post, and maintain on a user-friendly and publicly accessible Internet website all expenditures made by the department within a fiscal year. The posting must include the purpose for which each expenditure is made. Funds appropriated in part 1 from the ARRA shall also be included on a publicly accessible website maintained by the Michigan economic recovery office. The department shall not provide financial information on its website under this section if doing so would violate a federal or state law, rule, regulation, or guideline that establishes privacy or security standards applicable to that section.

Sec. 293. The department shall not expend more than \$10,000.00 from the appropriations in part 1 to implement the requirements of section 292(2).

#### **DEPARTMENTWIDE ADMINISTRATION**

Sec. 301. From funds appropriated for worker's compensation, the department may make payments in lieu of worker's compensation payments for wage and salary and related fringe benefits for employees who return to work under limited duty assignments.

Sec. 303. The department shall not require first-party payment from individuals or families with a taxable income of \$10,000.00 or less for mental health services for determinations made under section 818 of the mental health code, 1974 PA 258, MCL 330.1818.

#### **MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS**

Sec. 350. The department may enter into a contract with the protection and advocacy agency, authorized under section 931 of the mental health code, 1974 PA 258, MCL 330.1931, or a similar organization to provide legal services for purposes of gaining and maintaining occupancy in a community living arrangement that is under lease or contract with the department or a community mental health services program to provide services to persons with mental illness or developmental disability.

#### **COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS**

Sec. 401. Funds appropriated in part 1 are intended to support a system of comprehensive community mental health services under the full authority and responsibility of local CMHSPs or PIHPs. The department shall ensure that each CMHSP or PIHP provides all of the following:

(a) A system of single entry and single exit.

(b) A complete array of mental health services that includes, but is not limited to, all of the following services: residential and other individualized living arrangements, outpatient services, acute inpatient services, and long-term, 24-hour inpatient care in a structured, secure environment.

(c) The coordination of inpatient and outpatient hospital services through agreements with state-operated psychiatric hospitals, units, and centers in facilities owned or leased by the state, and privately-owned hospitals, units, and centers licensed by the state pursuant to sections 134 through 149b of the mental health code, 1974 PA 258, MCL 330.1134 to 330.1149b.

(d) Individualized plans of service that are sufficient to meet the needs of individuals, including those discharged from psychiatric hospitals or centers, and that ensure the full range of recipient needs is addressed through the CMHSP's or PIHP's program or through assistance with locating and obtaining services to meet these needs.

(e) A system of case management or care management to monitor and ensure the provision of services consistent with the individualized plan of services or supports.

(f) A system of continuous quality improvement.

(g) A system to monitor and evaluate the mental health services provided.

(h) A system that serves at-risk and delinquent youth as required under the provisions of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106.

Sec. 402. (1) From funds appropriated in part 1, final authorizations to CMHSPs or PIHPs shall be made upon the execution of contracts between the department and CMHSPs or PIHPs. The contracts shall contain an approved plan and budget as well as policies and procedures governing the obligations and responsibilities of both parties to the contracts. Each contract with a CMHSP or PIHP that the department is authorized to enter into under this subsection shall include a provision that the contract is not valid unless the total dollar obligation for all of the contracts between the department and the CMHSPs or PIHPs entered into under this subsection for the current fiscal year does not exceed the amount of money appropriated in part 1 for the contracts authorized under this subsection.

(2) The department shall immediately report to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director if either of the following occurs:

(a) Any new contracts with CMHSPs or PIHPs that would affect rates or expenditures are enacted.

(b) Any amendments to contracts with CMHSPs or PIHPs that would affect rates or expenditures are enacted.

(3) The report required by subsection (2) shall include information about the changes and their effects on rates and expenditures.

Sec. 403. (1) From the funds appropriated in part 1 for mental health services for special populations, the department shall ensure that CMHSPs or PIHPs meet with multicultural service providers to develop a workable framework for contracting, service delivery, and reimbursement.

(2) Funds appropriated in part 1 for mental health services for special populations shall not be utilized for services provided to illegal immigrants, fugitive felons, and people who are not residents of this state. The department shall maintain contracts with recipients of multicultural services grants that mandate grantees establish that recipients of services are legally residing in the United States. An exception to the contractual provision will be allowed to address persons presenting with emergent mental health conditions.

(3) The department shall require an annual report from the independent organizations that receive mental health services for special populations funding. The annual report shall include specific information on services and programs provided, the client base to which the services and programs were provided, and the expenditures for those services. The department shall provide the annual reports to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies.

Sec. 404. (1) Not later than May 31 of the current fiscal year, the department shall provide a report on the community mental health services programs to the members of the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director that includes the information required by this section.

(2) The report shall contain information for each CMHSP or PIHP and a statewide summary, each of which shall include at least the following information:

(a) A demographic description of service recipients which, minimally, shall include reimbursement eligibility, client population, age, ethnicity, housing arrangements, and diagnosis.

(b) Per capita expenditures by client population group.

(c) Financial information that, minimally, includes a description of funding authorized; expenditures by client group and fund source; and cost information by service category, including administration. Service category includes all department-approved services.

(d) Data describing service outcomes that includes, but is not limited to, an evaluation of consumer satisfaction, consumer choice, and quality of life concerns including, but not limited to, housing and employment.

(e) Information about access to community mental health services programs that includes, but is not limited to, the following:

(i) The number of people receiving requested services.

(ii) The number of people who requested services but did not receive services.

(f) The number of second opinions requested under the code and the determination of any appeals.

(g) An analysis of information provided by CMHSPs in response to the needs assessment requirements of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, including information about the number of persons in the service delivery system who have requested and are clinically appropriate for different services.

(h) Lapses and carryforwards during the immediately preceding fiscal year for CMHSPs or PIHPs.

(i) Information about contracts for mental health services entered into by CMHSPs or PIHPs with providers, including, but not limited to, all of the following:

(i) The amount of the contract, organized by type of service provided.

(ii) Payment rates, organized by the type of service provided.

(iii) Administrative costs for services provided to CMHSPs or PIHPs.

(j) Information on the community mental health Medicaid managed care program, including, but not limited to, both of the following:

(i) Expenditures by each CMHSP or PIHP organized by Medicaid eligibility group, including per eligible individual expenditure averages.

(ii) Performance indicator information required to be submitted to the department in the contracts with CMHSPs or PIHPs.

(k) An estimate of the number of direct care workers in local residential settings and paraprofessional and other nonprofessional direct care workers in settings where skill building, community living supports and training, and personal care services are provided by CMHSPs or PIHPs as of September 30 of the prior fiscal year employed directly or through contracts with provider organizations.

(3) The department shall include data reporting requirements listed in subsection (2) in the annual contract with each individual CMHSP or PIHP.

(4) The department shall take all reasonable actions to ensure that the data required are complete and consistent among all CMHSPs or PIHPs.

Sec. 405. (1) It is the intent of the legislature that the employee wage pass-through funded in previous years to the community mental health services programs for direct care workers in local residential settings and for paraprofessional and other nonprofessional direct care workers in settings where skill building, community living supports and training, and personal care services are provided shall continue to be paid to direct care workers.

(2) Each CMHSP awarded wage pass-through money from the funds established under subsection (1) shall report on the actual expenditures of the money in the format determined by the department.

Sec. 406. (1) The funds appropriated in part 1 for the state disability assistance substance abuse services program shall be used to support per diem room and board payments in substance abuse residential facilities. Eligibility of clients for the state disability assistance substance abuse services program shall include needy persons 18 years of age or older, or emancipated minors, who reside in a substance abuse treatment center.

(2) The department shall reimburse all licensed substance abuse programs eligible to participate in the program at a rate equivalent to that paid by the department of human services to adult foster care providers. Programs accredited by department-approved accrediting organizations shall be reimbursed at the personal care rate, while all other eligible programs shall be reimbursed at the domiciliary care rate.

Sec. 407. (1) The amount appropriated in part 1 for substance abuse prevention, education, and treatment grants shall be expended for contracting with coordinating agencies. Coordinating agencies shall work with CMHSPs or PIHPs to coordinate care and services provided to individuals with severe and persistent mental illness and substance abuse diagnoses.

(2) The department shall approve coordinating agency fee schedules for providing substance abuse services and charge participants in accordance with their ability to pay.

(3) It is the intent of the legislature that the coordinating agencies continue current efforts to collaborate on the delivery of services to those clients with mental illness and substance abuse diagnoses.

(4) Coordinating agencies that are located completely within the boundary of a PIHP shall conduct a study of the administrative costs and efficiencies associated with consolidation with that PIHP. If that coordinating agency realizes an administrative cost savings of 5% or greater of their current costs, then that coordinating agency shall initiate discussions regarding a potential merger in accordance with section 6226 of the public health code, 1978 PA 368, MCL 333.6226. The department shall report to the legislature by April 1 of the current fiscal year on any such discussions.

Sec. 408. (1) By April 1 of the current fiscal year, the department shall report the following data from the prior fiscal year on substance abuse prevention, education, and treatment programs to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget office:

(a) Expenditures stratified by coordinating agency, by central diagnosis and referral agency, by fund source, by subcontractor, by population served, and by service type. Additionally, data on administrative expenditures by coordinating agency shall be reported.

(b) Expenditures per state client, with data on the distribution of expenditures reported using a histogram approach.

(c) Number of services provided by central diagnosis and referral agency, by subcontractor, and by service type. Additionally, data on length of stay, referral source, and participation in other state programs.

(d) Collections from other first- or third-party payers, private donations, or other state or local programs, by coordinating agency, by subcontractor, by population served, and by service type.

(2) The department shall take all reasonable actions to ensure that the required data reported are complete and consistent among all coordinating agencies.

Sec. 409. The funding in part 1 for substance abuse services shall be distributed in a manner that provides priority to service providers that furnish child care services to clients with children.

Sec. 410. The department shall assure that substance abuse treatment is provided to applicants and recipients of public assistance through the department of human services who are required to obtain substance abuse treatment as a condition of eligibility for public assistance.

Sec. 411. (1) The department shall ensure that each contract with a CMHSP or PIHP requires the CMHSP or PIHP to implement programs to encourage diversion of persons with serious mental illness, serious emotional disturbance, or developmental disability from possible jail incarceration when appropriate.

(2) Each CMHSP or PIHP shall have jail diversion services and shall work toward establishing working relationships with representative staff of local law enforcement agencies, including county prosecutors' offices, county sheriffs' offices, county jails, municipal police agencies, municipal detention facilities, and the courts. Written interagency agreements describing what services each participating agency is prepared to commit to the local jail diversion effort and the procedures to be used by local law enforcement agencies to access mental health jail diversion services are strongly encouraged.

Sec. 412. The department shall contract directly with the Salvation Army harbor light program to provide non-Medicaid substance abuse services.

Sec. 414. Medicaid substance abuse treatment services shall be managed by PIHPs pursuant to the centers for Medicare and Medicaid services' approval of Michigan's 1915(b) waiver request submitted under 42 USC 1396n to implement a managed care plan for specialized substance abuse services. The PIHPs shall receive a capitated payment on a per eligible per month basis to assure provision of medically necessary substance abuse services to all beneficiaries who require those services. The PIHPs shall be responsible for the reimbursement of claims for specialized substance abuse services. The PIHPs that are not coordinating agencies may continue to contract with a coordinating agency. Any alternative arrangement must be based on client service needs and have prior approval from the department.

Sec. 418. On or before the tenth of each month, the department shall report to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the amount of funding paid to PIHPs to support the Medicaid managed mental health care program in the preceding month. The information shall include the total paid to each PIHP, per capita rate paid for each eligibility group for each PIHP, and number of cases in each eligibility group for each PIHP, and year-to-date summary of eligibles and expenditures for the Medicaid managed mental health care program.

Sec. 424. Each PIHP that contracts with the department to provide services to the Medicaid population shall adhere to the following timely claims processing and payment procedure for claims submitted by health professionals and facilities:

(a) A "clean claim" as described in section 111i of the social welfare act, 1939 PA 280, MCL 400.111i, shall be paid within 45 days after receipt of the claim by the PIHP. A clean claim that is not paid within this time frame shall bear simple interest at a rate of 12% per annum.

(b) A PIHP must state in writing to the health professional or facility any defect in the claim within 30 days after receipt of the claim.

(c) A health professional and a health facility have 30 days after receipt of a notice that a claim or a portion of a claim is defective within which to correct the defect. The PIHP shall pay the claim within 30 days after the defect is corrected.

Sec. 428. Each PIHP shall provide, from internal resources, local funds to be used as a bona fide part of the state match required under the Medicaid program in order to increase capitation rates for PIHPs. These funds shall not include either state funds received by a CMHSP for services provided to non-Medicaid recipients or the state matching portion of the Medicaid capitation payments made to a PIHP.

Sec. 435. A county required under the provisions of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide matching funds to a CMHSP for mental health services rendered to residents in its jurisdiction shall pay the matching funds in equal installments on not less than a quarterly basis throughout the fiscal year, with the first payment being made by October 1 of the current fiscal year.

Sec. 442. (1) It is the intent of the legislature that the \$41,386,000.00 in funding transferred from the community mental health non-Medicaid services line to support the Medicaid adult benefits waiver program shall be used to provide state match for increases in federal funding for primary care and specialty services provided to Medicaid adult benefits waiver enrollees and for economic increases for the Medicaid specialty services and supports program.

(2) The department shall assure that persons enrolled in the Medicaid adult benefits waiver program shall receive mental health services as approved in the state plan amendment.

(3) Capitation payments to CMHSPs for persons who become enrolled in the Medicaid adult benefits waiver program shall be made using the same rate methodology as payments for the current Medicaid beneficiaries.

(4) If enrollment in the Medicaid adult benefits waiver program does not achieve expectations and the funding appropriated for the Medicaid adult benefits waiver program for specialty services is not expended, the general fund balance shall be transferred back to the community mental health non-Medicaid services line. The department shall report quarterly to the senate and house appropriations subcommittees on community health a summary of eligible expenditures for the Medicaid adult benefits waiver program by CMHSPs.

Sec. 452. Unless otherwise authorized by law, the department shall not implement retroactively any policy that would lead to a negative financial impact on CMHSPs or PIHPs.

Sec. 456. (1) CMHSPs and PIHPs shall honor consumer choice to the fullest extent possible when providing services and support programs for individuals with mental illness, developmental disabilities, or substance abuse issues. Consumer choices shall include skill-building assistance, rehabilitative and habilitative services, supported and integrated employment services program settings, and other work preparatory services provided in the community or by accredited community-based rehabilitation organizations. CMHSPs and PIHPs shall not restrict any choices from the array of services and program settings available to consumers without reasonable justification that those services are not in the consumer's best interest.

(2) CMHSPs and PIHPs shall take all necessary steps to ensure that individuals with mental illness, developmental disabilities, or substance abuse issues be placed in the most integrated setting in the quickest amount of time possible if the individual, after being fully informed, chooses freely, and through a person-centered process.

Sec. 458. By April 15 of the current fiscal year, the department shall provide each of the following to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director:

(a) An updated plan for implementing each of the recommendations of the Michigan mental health commission made in the commission's report dated October 15, 2004.

(b) A report that evaluates the cost-benefit of establishing secure residential facilities of fewer than 17 beds for adults with serious mental illness, modeled after such programming in Oregon or other states. This report shall examine the potential impact that utilization of secure residential facilities would have upon the state's need for adult mental health facilities.

(c) In conjunction with the state court administrator's office, a report that evaluates the cost-benefit of establishing a specialized mental health court program that diverts adults with serious mental illness alleged to have committed an offense deemed nonserious into treatment prior to the filing of any charges.

Sec. 462. (1) With the exception of administrative costs, the department shall continue to utilize the funding formula for all CMHSPs that receive funds appropriated under the community mental health non-Medicaid services line utilized in fiscal year 2009-2010.

(2) The department shall convene a workgroup including CMHSPs regarding the allocation of the current fiscal year administrative reduction of \$3,797,900.00.

Sec. 463. The department shall use standard program evaluation measures to assess the overall effectiveness of programs provided through coordinating agencies and service providers in reducing and preventing the incidence of substance abuse. The measures established by the department shall be modeled after the program outcome measures and best practice guidelines for the treatment of substance abuse as proposed by the federal substance abuse and mental health services administration.

Sec. 468. To foster a more efficient administration of and to integrate care in publicly funded mental health and substance abuse services, the department shall maintain criteria for the incorporation of a city, county, or regional substance abuse coordinating agency into a local community mental health authority that will encourage those city, county, or regional coordinating agencies to incorporate as local community mental health authorities. If necessary, the department may make accommodations or adjustments in formula distribution to address administrative costs related to the maintenance of the criteria under this section and to the incorporation of the additional coordinating agencies into local community mental health authorities provided that all of the following are satisfied:

(a) The department provides funding for the administrative costs incurred by coordinating agencies incorporating into community mental health authorities. The department shall not provide more than \$75,000.00 to any coordinating agency for administrative costs.

(b) The accommodations or adjustments favor coordinating agencies who voluntarily elect to integrate with local community mental health authorities.

(c) The accommodations or adjustments do not negatively affect other coordinating agencies.

Sec. 470. (1) For those substance abuse coordinating agencies that have voluntarily incorporated into community mental health authorities and accepted funding from the department for administrative costs incurred pursuant to section 468, the department shall establish written expectations for those CMHSPs, PIHPs, and substance abuse coordinating agencies and counties with respect to the integration of mental health and substance abuse services. At a minimum, the written expectations shall provide for the integration of those services as follows:

(a) Coordination and consolidation of administrative functions and redirection of efficiencies into service enhancements.

(b) Consolidation of points of 24-hour access for mental health and substance abuse services in every community.

(c) Alignment of coordinating agencies and PIHPs boundaries to maximize opportunities for collaboration and integration of administrative functions and clinical activities.

(2) By May 1 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office on the impact and effectiveness of this section and the status of the integration of mental health and substance abuse services.

Sec. 474. The department shall ensure that each contract with a CMHSP or PIHP requires the CMHSP or PIHP to provide each recipient and his or her family with information regarding the different types of guardianship and the alternatives to guardianship. A CMHSP or PIHP shall not, in any manner, attempt to reduce or restrict the ability of a recipient or his or her family from seeking to obtain any form of legal guardianship without just cause.

Sec. 480. The department shall provide to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by March 30 of the current fiscal year a report on the number and reimbursement cost of atypical antipsychotic prescriptions by each PIHP for Medicaid beneficiaries.

Sec. 482. From the funds appropriated in part 1, the department shall continue funding for programs provided by Odyssey house.

Sec. 489. The department shall work with the Michigan association of community mental health boards and individual CMHSPs in an effort to mitigate necessary reductions to the community mental health non-Medicaid services line by seeking alternative funding sources.

Sec. 490. (1) The department shall establish a workgroup to develop a plan to maximize uniformity and consistency in the standards required of providers contracting directly with PIHPs, CMHSPs, and substance abuse coordinating agencies. These standards shall apply to community living supports, personal care services, substance abuse services, skill-building services, and other similar supports and services providers who contract with PIHPs, CMHSPs, and substance abuse coordinating agencies or their contractors.

(2) The workgroup shall include representatives of the department, PIHPs, CMHSPs, substance abuse coordinating agencies, and affected providers. The standards shall include, but are not limited to, contract language, training requirements for direct support staff, performance indicators, financial and program audits, and billing procedures.

(3) The department shall provide a status report on the workgroup's efforts to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director by June 1 of the current fiscal year.

Sec. 491. The department shall explore changes in program policy in the habilitation supports waiver for persons with developmental disabilities that would permit the movement of a slot that has become available to a county that has demonstrated a greater need for the services.

Sec. 492. If a CMHSP has entered into an agreement with a county or county sheriff to provide mental health services to the inmates of the county jail, the department shall not prohibit the use of state general fund/general purpose dollars by CMHSPs to provide mental health services to inmates of a county jail.

Sec. 493. From the funds appropriated in part 1, \$1,000,000.00 shall be allocated to enhance the community health outreach program provided by self-help addiction rehabilitation.

**STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES**

Sec. 601. (1) In funding of staff in the financial support division, reimbursement, and billing and collection sections, priority shall be given to obtaining third-party payments for services. Collection from individual recipients of services and their families shall be handled in a sensitive and nonharassing manner.

(2) The department shall continue a revenue recapture project to generate additional revenues from third parties related to cases that have been closed or are inactive. Revenues collected through project efforts shall be used for departmental costs and contractual fees associated with these retroactive collections and to improve ongoing departmental reimbursement management functions.

Sec. 602. Unexpended and unencumbered amounts and accompanying expenditure authorizations up to \$1,000,000.00 remaining on September 30 of the current fiscal year from the amounts appropriated in part 1 for gifts and bequests for patient living and treatment environments shall be carried forward for 1 fiscal year. The purpose of gifts and bequests for patient living and treatment environments is to use additional private funds to provide specific enhancements for individuals residing at state-operated facilities. Use of the gifts and bequests shall be consistent with the stipulation of the donor. The expected completion date for the use of gifts and bequests donations is within 3 years unless otherwise stipulated by the donor.

Sec. 603. (1) The funds appropriated in part 1 for forensic mental health services provided to the department of corrections are in accordance with the interdepartmental plan developed in cooperation with the department of corrections. The department is authorized to receive and expend funds from the department of corrections in addition to the appropriations in part 1 to fulfill the obligations outlined in the interdepartmental agreements.

(2) By February 15 of the current fiscal year, the department shall provide a copy of the interdepartmental plan developed with the department of corrections to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies. The department shall work with the department of corrections to ensure that this interdepartmental agreement is updated every 3 years and that forensic mental health services provided to the department of corrections meet the standard of care for the provision of mental health services.

Sec. 604. (1) The CMHSPs or PIHPs shall provide annual reports to the department on the following information:

- (a) The number of days of care purchased from state hospitals and centers.
- (b) The number of days of care purchased from private hospitals in lieu of purchasing days of care from state hospitals and centers.
- (c) The number and type of alternative placements to state hospitals and centers other than private hospitals.
- (d) Waiting lists for placements in state hospitals and centers.

(2) The department shall annually report the information in subsection (1) to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director.

Sec. 605. (1) The department shall not implement any closures or consolidations of state hospitals, centers, or agencies until CMHSPs or PIHPs have programs and services in place for those persons currently in those facilities and a plan for service provision for those persons who would have been admitted to those facilities.

(2) All closures or consolidations are dependent upon adequate department-approved CMHSP and PIHP plans that include a discharge and aftercare plan for each person currently in the facility. A discharge and aftercare plan shall address the person's housing needs. A homeless shelter or similar temporary shelter arrangements are inadequate to meet the person's housing needs.

(3) Four months after the certification of closure required in section 19(6) of the state employees' retirement act, 1943 PA 240, MCL 38.19, the department shall provide a closure plan to the house and senate appropriations subcommittees on community health and the state budget director.

(4) Upon the closure of state-run operations and after transitional costs have been paid, the remaining balances of funds appropriated for that operation shall be transferred to CMHSPs or PIHPs responsible for providing services for persons previously served by the operations.

Sec. 606. The department may collect revenue for patient reimbursement from first- and third-party payers, including Medicaid and local county CMHSP payers, to cover the cost of placement in state hospitals and centers. The department is authorized to adjust financing sources for patient reimbursement based on actual revenues earned. If the revenue collected exceeds current year expenditures, the revenue may be carried forward with approval of the state budget director. The revenue carried forward shall be used as a first source of funds in the subsequent year.

Sec. 608. Effective October 1, 2010, the department, in consultation with the department of technology, management, and budget, shall establish and implement a bid process to identify 1 or more private contractors to provide food service and custodial services for the administrative areas at any state hospital identified by the department as capable of generating a minimum of 7.5% savings through the outsourcing of such services.

Sec. 609. The department shall continue to ban the use of all tobacco products in and on the grounds of state psychiatric facilities. As used in this section, "tobacco product" means a product that contains tobacco and is intended for human consumption, including, but not limited to, cigarettes, noncigarette smoking tobacco, or smokeless tobacco, as those terms are defined in section 2 of the tobacco products tax act, 1993 PA 327, MCL 205.422, and cigars.

## **PUBLIC HEALTH ADMINISTRATION**

Sec. 650. The department shall communicate the annual public health consumption advisory for sportfish. The department shall, at a minimum, post the advisory on the Internet and make the information in the advisory available to the clients of the women, infants, and children special supplemental nutrition program.

Sec. 653. The department shall develop plans to address potential state public health emergencies.

## **HEALTH POLICY, REGULATION, AND PROFESSIONS**

Sec. 704. The department shall continue to contract with grantees supported through the appropriation in part 1 for the emergency medical services grants and contracts to ensure that a sufficient number of qualified emergency medical services personnel exist to serve rural areas of the state.

Sec. 706. When hiring any new nursing home inspectors funded through appropriations in part 1, the department shall make every effort to hire qualified individuals with past experience in the long-term care industry.

Sec. 707. The funds appropriated in part 1 for the nursing scholarship program, established pursuant to section 16315 of the public health code, 1978 PA 368, MCL 333.16315, shall be used to increase the number of nurses practicing in Michigan. The board of nursing is encouraged to structure scholarships funded under this act in a manner that rewards recipients who intend to practice nursing in Michigan. In addition, the department and the board of nursing shall work cooperatively with the Michigan higher education assistance authority to coordinate scholarship assistance with scholarships provided pursuant to the Michigan nursing scholarship act, 2002 PA 591, MCL 390.1181 to 390.1189.

Sec. 708. Nursing facilities shall report in the quarterly staff report to the department, the total patient care hours provided each month, by state licensure and certification classification, and the percentage of pool staff, by state licensure and certification classification, used each month during the preceding quarter. The department shall make available to the public, the quarterly staff report compiled for all facilities including the total patient care hours and the percentage of pool staff used, by classification.

Sec. 709. The funds appropriated in part 1 for the Michigan essential health care provider program may also provide loan repayment for dentists that fit the criteria established by part 27 of the public health code, 1978 PA 368, MCL 333.2701 to 333.2727.

Sec. 710. From the funds appropriated in part 1 for primary care services, an amount not to exceed \$2,172,700.00 is appropriated to enhance the service capacity of the federally qualified health centers and other health centers that are similar to federally qualified health centers.

Sec. 711. The department may make available to interested entities customized listings of nonconfidential information in its possession, such as names and addresses of licensees. The department may establish and collect a reasonable charge to provide this service. The revenue received from this service shall be used to offset expenses to provide the service. Any balance of this revenue collected and unexpended at the end of the fiscal year shall revert to the appropriate restricted fund.

Sec. 712. From the funds appropriated in part 1 for primary care services, \$250,000.00 shall be allocated to free health clinics operating in the state. The department shall distribute the funds equally to each free health clinic. For the purpose of this appropriation, "free health clinics" means nonprofit organizations that use volunteer health professionals to provide care to uninsured individuals.

Sec. 713. The department shall continue support of multicultural agencies that provide primary care services from the funds appropriated in part 1.

Sec. 714. The department shall report by April 1 of the current fiscal year to the legislature on the timeliness of nursing facility complaint investigations and the number of allegations that are substantiated on an annual basis. The report shall consist of the number of allegations filed by consumers and the number of facility-reported incidents. The department shall make every effort to contact every complainant and the subject of a complaint during an investigation.

Sec. 716. The department shall give priority in investigations of alleged wrongdoing by licensed health care professionals to instances that are alleged to have occurred within 2 years of the initial complaint.

Sec. 718. The department shall gather information on its most frequently cited complaint deficiencies for the prior 3 fiscal years. The department shall determine whether there is an increase in the number of citations from 1 year to the next and assess the cause of the increase, if any, and whether education and training of nursing facility staff or department staff is needed. The department will implement any training indicated by the study. The department shall provide the results of the study to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by May 1 of the current fiscal year.

Sec. 720. From the funds appropriated in part 1 for primary care services, \$75,000.00 shall be allocated to the Helen M. Nickless volunteer clinic in Bay City.

Sec. 722. A medical professional who was newly accepted into the Michigan essential health provider program in fiscal year 2008-2009 is eligible for 4 years of loan repayments.

Sec. 724. From the funds appropriated in part 1 for emergency medical services program state staff, up to \$100.00 may be allocated for the development of a coordinated statewide trauma care system.

Sec. 725. From the funds appropriated in part 1 for rural health services, up to \$100.00 may be allocated to support rural health improvement as identified in "Michigan Strategic Opportunities for Rural Health Improvement, A State Rural Health Plan 2008-2012". The department shall make these funds available to rural and micropolitan communities under a competitive bid process. The department shall not allocate more than \$5,000.00 to each rural or micropolitan community under this section. The department shall not allocate funds appropriated under this section unless a 50/50 state and local match rate has occurred. The department shall submit a report to the house and senate appropriations subcommittees on community health, house and senate fiscal agencies, and state budget director by April 1 of the current fiscal year on the projects supported by this allocation.

Sec. 726. (1) The department shall submit a report by April 1 of the current fiscal year to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director, on an annual basis, that includes all data on the amount collected from medical marijuana program application and renewal fees along with the cost of administering the medical marijuana program under the Michigan medical marijuana act, 2008 IL 1, MCL 333.26421 to 333.26430.

(2) If the required fees are shown to be insufficient to offset all expenses of implementing and administering the medical marihuana program, the department shall review and revise the application and renewal fees accordingly to ensure that all expenses of implementing and administering the medical marihuana program are offset as is permitted under section 5 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26425.

Sec. 727. By October 1, 2010 if authorized by law, the department shall establish and implement a bid process to identify a private or public contractor to provide management of the medical marihuana program. By April 1 of the current fiscal year if authorized by law, the department shall transfer responsibility for management of the medical marihuana program to the contractor identified by the bid process.

Sec. 729. The department shall identify counties in which there are an insufficient number of health professionals providing obstetrical and gynecological services. In addition, the department shall identify the reasons why there are an insufficient number of health professionals providing obstetrical and gynecological services and identify possible policy or fiscal, or both, measures considered necessary to address the shortage. The department shall submit a report of its findings under this section to the house and senate appropriations subcommittees on community health, house and senate fiscal agencies, and state budget director no later than December 1 of the current fiscal year.

Sec. 730. The department shall ensure that any Medicare certification survey authorized by the center for Medicare and Medicaid services (CMS) for the expansion of, or the operation of, a new outpatient end-stage renal disease facility shall be conducted within 120 days after that authorization as allowed by federal rules, regulations, and instructions. The 120 days shall begin when all requirements for the initial certification survey have been fulfilled, including approval of the CMS application, issuance of the CMS-855 by national government services, state approval for occupancy, and provision of care for a reasonable and sufficient number of patients for 1 complete week.

## **INFECTIOUS DISEASE CONTROL**

Sec. 801. In the expenditure of funds appropriated in part 1 for AIDS programs, the department and its subcontractors shall ensure that high-risk individuals ages 9 through 18 receive priority for prevention, education, and outreach services.

Sec. 803. The department shall continue the AIDS drug assistance program maintaining the prior year eligibility criteria and drug formulary. This section does not prohibit the department from providing assistance for improved AIDS treatment medications. If the appropriation in part 1 or actual revenue is not sufficient to maintain the prior year eligibility criteria and drug formulary, the department may revise the eligibility criteria and drug formulary in a manner that is consistent with federal program guidelines.

Sec. 804. The department, in conjunction with efforts to implement the Michigan prisoner reentry initiative, shall cooperate with the department of corrections to share data and information as they relate to prisoners being released who are HIV positive or positive for the hepatitis C antibody.

## **LABORATORY SERVICES**

Sec. 840. From the funds appropriated in part 1 for laboratory services, the department shall allocate \$250,000.00 for Upper Peninsula laboratory services for the continuation of operations and services in fiscal year 2010-2011.

## **EPIDEMIOLOGY**

Sec. 851. The department shall provide a report annually to the house and senate appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the expenditures and activities undertaken by the lead abatement program. The report shall include, but is not limited to, a funding allocation schedule, expenditures by category of expenditure and by subcontractor, revenues received, description of program elements, and description of program accomplishments and progress.

## **LOCAL HEALTH ADMINISTRATION AND GRANTS**

Sec. 901. The amount appropriated in part 1 for implementation of the 1993 additions of or amendments to sections 9161, 16221, 16226, 17014, 17015, and 17515 of the public health code, 1978 PA 368, MCL 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and 333.17515, shall be used to reimburse local health departments for costs incurred related to implementation of section 17015(18) of the public health code, 1978 PA 368, MCL 333.17015.

Sec. 902. (1) If a county that has participated in a district health department or an associated arrangement with other local health departments takes action to cease to participate in such an arrangement after October 1 of the current fiscal year, the department shall have the authority to assess a penalty from the local health department's operational accounts in an amount equal to no more than 6.25% of the local health department's essential local public health services funding. This penalty shall only be assessed to the local county that requests the dissolution of the health department.

(2) The department shall explore changes in program policy that would permit enhanced grants provided through the essential local public health services line to local public health departments that have successfully consolidated after October 1 of the current fiscal year.

Sec. 904. (1) Funds appropriated in part 1 for essential local public health services shall be prospectively allocated to local health departments to support immunizations, infectious disease control, sexually transmitted disease control and prevention, hearing screening, vision services, food protection, public water supply, private groundwater supply, and on-site sewage management. Food protection shall be provided in consultation with the department of agriculture. Public water supply, private groundwater supply, and on-site sewage management shall be provided in consultation with the department of natural resources and environment.

(2) Local public health departments shall be held to contractual standards for the services in subsection (1).

(3) Distributions in subsection (1) shall be made only to counties that maintain local spending in the current fiscal year of at least the amount expended in fiscal year 1992-1993 for the services described in subsection (1).

(4) By April 1 of the current fiscal year, the department shall make available a report to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the planned allocation of the funds appropriated for essential local public health services.

## **CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION**

Sec. 1006. (1) In spending the funds appropriated in part 1 for the smoking prevention program, priority shall be given to prevention and smoking cessation programs for pregnant women, women with young children, and adolescents.

(2) For purposes of complying with 2004 PA 164, \$100,000.00 of the funds appropriated in part 1 for the smoking prevention program shall be used for the quit kit program that includes the nicotine patch or nicotine gum.

Sec. 1007. (1) The funds appropriated in part 1 for violence prevention may be used for programs aimed at the prevention of spouse, partner, or child abuse and rape.

(2) In awarding grants from the amounts appropriated in part 1 for violence prevention, the department shall give equal consideration to public and private nonprofit applicants.

Sec. 1008. From the funds appropriated in part 1 for the diabetes and kidney program, the department may allocate up to \$25,000.00 for a diabetes management pilot project in Muskegon County.

Sec. 1009. From the funds appropriated in part 1 for the diabetes and kidney program, a portion of the funds may be allocated to the National Kidney Foundation of Michigan for kidney disease prevention programming including early identification and education programs and kidney disease prevention demonstration projects.

Sec. 1019. From the funds appropriated in part 1 for chronic disease control and health promotion administration, up to \$50,000.00 may be allocated for stroke prevention, education, and outreach. The objectives of the program shall include education to assist persons in identifying risk factors, and education to assist persons in the early identification of the occurrence of a stroke in order to minimize stroke damage.

Sec. 1028. Contingent on the availability of state restricted healthy Michigan fund money or federal preventive health and health services block grant fund money, funds may be appropriated for the African-American male health initiative.

Sec. 1031. (1) From the funds appropriated in part 1 for the injury control intervention project, \$200,000.00 shall be used to continue 2 incentive-based pilot programs for level I and level II trauma hospitals to ensure greater state utilization of an interactive, evidence-based treatment guideline model for traumatic brain injury.

(2) One pilot program shall be placed in a county with a population of less than 225,000. The other pilot program shall be placed in a county with a population over 1,000,000.

## **FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES**

Sec. 1101. The department shall review the basis for the distribution of funds to local health departments and other public and private agencies for the women, infants, and children food supplement program; family planning; and prenatal care outreach and service delivery support program and indicate the basis upon which any projected underexpenditures by local public and private agencies shall be reallocated to other local agencies that demonstrate need.

Sec. 1104. (1) Before April 1 of the current fiscal year, the department shall submit a report to the house and senate fiscal agencies and the state budget director on planned allocations from the amounts appropriated in part 1 for local MCH services, prenatal care outreach and service delivery support, family planning local agreements, and pregnancy prevention programs. Using applicable federal definitions, the report shall include information on all of the following:

(a) Funding allocations.

(b) Actual number of women, children, and adolescents served and amounts expended for each group for the immediately preceding fiscal year.

(c) A breakdown of the expenditure of these funds between urban and rural communities.

(2) The department shall ensure that the distribution of funds through the programs described in subsection (1) takes into account the needs of rural communities.

(3) For the purposes of this section, "rural" means a county, city, village, or township with a population of 30,000 or less, including those entities if located within a metropolitan statistical area.

Sec. 1105. For all family, maternal, and children's health services programs for which an appropriation is made in part 1, the department shall contract with those local agencies best able to serve clients. Factors to be used by the department in evaluating agencies under this section include the ability to serve high-risk population groups; ability to provide access to individuals in need of services in rural communities; ability to serve low-income clients, where applicable; availability of, and access to, service sites; management efficiency; and ability to meet federal standards, when applicable.

Sec. 1106. Each family planning program receiving federal title X family planning funds under 42 USC 300 to 300a-8 shall be in compliance with all performance and quality assurance indicators that the office of family planning within the United States department of health and human services specifies in the family planning annual report. An agency not in compliance with the indicators shall not receive supplemental or reallocated funds.

Sec. 1108. The funds appropriated in part 1 for pregnancy prevention programs shall not be used to provide abortion counseling, referrals, or services.

Sec. 1109. (1) From the amounts appropriated in part 1 for dental programs, funds shall be allocated to the Michigan dental association for the administration of a volunteer dental program that provides dental services to the uninsured.

(2) Not later than December 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on community health and the senate and house standing committees on health policy the number of individual patients treated, number of procedures performed, and approximate total market value of those procedures from the immediately preceding fiscal year.

Sec. 1110. An agency that currently receives pregnancy prevention funds and either receives or is eligible for other family planning funds shall have the option of receiving all of its family planning funds directly from the department and be designated as a delegate agency.

Sec. 1111. The department shall allocate no less than 88% of the funds appropriated in part 1 for family planning local agreements and the pregnancy prevention program for the direct provision of family planning and pregnancy prevention services.

Sec. 1112. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, the department shall allocate up to \$1,000,000.00 to communities with high infant mortality rates.

Sec. 1117. (1) Contingent upon the availability of federal or state restricted funds, the department may pursue efforts to reduce the incidence of stillbirth. Efforts shall include the establishment of a program to increase public awareness of stillbirth, promote education to monitor fetal movements counting kicks, promote a uniform definition of stillbirth, standardize data collection of stillbirths, and collaborate with appropriate federal agencies and statewide organizations. The department shall seek federal or other grant funds to assist in implementing this program.

(2) From the funds appropriated in part 1 for prenatal care outreach and service delivery support, effective March 1, 2011, the department shall allocate to the healthy birth day organization or to the first candle organization \$50,000.00 for efforts to reduce the incidence of stillbirth as described in subsection (1). The organization shall use these funds primarily for a counting fetal kicks awareness program and materials for expectant parents and maternal health care providers. It is the intent of the legislature that the recipient organization act in a collaborative manner with other organizations having a stated purpose of preventing infant mortality.

Sec. 1129. The department shall provide a report annually to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on the number of children with elevated blood lead levels from information available to the department. The report shall provide the information by county, shall include the level of blood lead reported, and shall indicate the sources of the information.

Sec. 1133. The department shall release infant mortality rate data to all local public health departments 72 hours or more before releasing infant mortality rate data to the public.

Sec. 1135. (1) Provision of the school health education curriculum, such as the Michigan model for health or another comprehensive school health education curriculum, shall be in accordance with the health education goals established by the Michigan model steering committee. The steering committee shall be composed of a representative from each of the following offices and departments:

- (a) The department of education.
- (b) The department of community health.
- (c) The health administration in the department of community health.
- (d) The mental health and substance abuse administration in the department of community health.
- (e) The department of human services.
- (f) The department of state police.

(2) Upon written or oral request, a pupil not less than 18 years of age or a parent or legal guardian of a pupil less than 18 years of age, within a reasonable period of time after the request is made, shall be informed of the content of a course in the health education curriculum and may examine textbooks and other classroom materials that are provided to the pupil or materials that are presented to the pupil in the classroom. This subsection does not require a school board to permit pupil or parental examination of test questions and answers, scoring keys, or other examination instruments or data used to administer an academic examination.

Sec. 1137. From the funds appropriated in part 1 for special projects, up to \$100.00 may be allocated to support an Alzheimer's disease patient care training program involving a community college and a retirement community.

Sec. 1138. From the funds appropriated in part 1 for special projects, up to \$100.00 shall be allocated to the Ele's Place organization in Lansing.

Sec. 1139. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, the department shall fund the nurse family partnership program.

## **WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM**

Sec. 1151. The department may work with local participating agencies to define local annual contributions for the farmer's market nutrition program, project FRESH, to enable the department to request federal matching funds based on local commitment of funds.

Sec. 1153. The department shall ensure that individuals residing in rural communities have sufficient access to the services offered through the WIC program. The department shall report to the legislature on its efforts to increase access to the WIC program in rural areas.

## **CHILDREN'S SPECIAL HEALTH CARE SERVICES**

Sec. 1201. Funds appropriated in part 1 for medical care and treatment of children with special health care needs shall be paid according to reimbursement policies determined and published by the Michigan medical services administration.

Sec. 1202. The department may do 1 or more of the following:

- (a) Provide special formula for eligible clients with specified metabolic and allergic disorders.
- (b) Provide medical care and treatment to eligible patients with cystic fibrosis who are 21 years of age or older.
- (c) Provide medical care and treatment to eligible patients with hereditary coagulation defects, commonly known as hemophilia, who are 21 years of age or older.

Sec. 1203. All children who are determined medically eligible for the children's special health care services program shall be referred to the appropriate locally-based services program in their community.

Sec. 1204. The department shall work with the Michigan association of health plans to develop a plan for reimbursing and enrolling children into the Medicaid health plans for the children's special health care services program. The department shall report the results of this effort to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by April 1 of the current fiscal year.

Sec. 1205. If the department determines that a family currently enrolled in the children's special health care services program is likely to qualify for Medicaid or MICHild coverage, the department shall request that the family complete the healthy kids application within 3 months after such request is made by the department. If the family fails or refuses to complete the healthy kids application within 3 months of the request, then the department shall deem the family ineligible for participation in the children's special health care services program.

## **CRIME VICTIM SERVICES COMMISSION**

Sec. 1302. From the funds appropriated in part 1 for justice assistance grants, up to \$200,000.00 shall be allocated for expansion of forensic nurse examiner programs to facilitate training for improved evidence collection for the prosecution of sexual assault. The funds shall be used for program coordination and training.

Sec. 1304. The department shall work with the department of state police, the Michigan health and hospital association, the Michigan state medical society, and the Michigan nurses association to ensure that the recommendations included in the "Standard Recommended Procedures for the Emergency Treatment of Sexual Assault Victims" are followed in the collection of evidence.

## **OFFICE OF SERVICES TO THE AGING**

Sec. 1401. The appropriation in part 1 to the office of services to the aging for community services and nutrition services shall be restricted to eligible individuals at least 60 years of age who fail to qualify for home care services under title XVIII, XIX, or XX.

Sec. 1403. (1) The office of services to the aging shall require each region to report to the office of services to the aging and to the legislature home-delivered meals waiting lists based upon standard criteria. Determining criteria shall include all of the following:

- (a) The recipient's degree of frailty.
- (b) The recipient's inability to prepare his or her own meals safely.
- (c) Whether the recipient has another care provider available.
- (d) Any other qualifications normally necessary for the recipient to receive home-delivered meals.

(2) Data required in subsection (1) shall be recorded only for individuals who have applied for participation in the home-delivered meals program and who are initially determined as likely to be eligible for home-delivered meals.

Sec. 1404. The area agencies on aging and local providers may receive and expend fees for the provision of day care, care management, respite care, and certain eligible home- and community-based services. The fees shall be based on a sliding scale, taking client income into consideration. The fees shall be used to maintain or expand services, or both.

Sec. 1406. The appropriation of \$4,468,700.00 of merit award trust funds to the office of services to the aging for the respite care program shall be allocated in accordance with a long-term care plan developed by the long-term care working group established in section 1657 of 1998 PA 336 upon implementation of the plan. The use of the funds shall be for direct respite care or adult respite care center services. Not more than 9% of the amount allocated under this section shall be expended for administration and administrative purposes.

Sec. 1413. Local counties may request to change membership in the area agencies on aging if the change is to an area agency on aging that is contiguous to that county pursuant to office of services to the aging policies and procedures for area agency on aging designation. The office of services to the aging shall adjust allocations to area agencies on aging to account for any changes in county membership. The office of services to the aging shall ensure annually that county boards of commissioners are aware that county membership in area agencies on aging can be changed subject to office of services to the aging policies and procedures for area agency on aging designation.

Sec. 1417. The department shall provide to the senate and house appropriations subcommittees on community health, senate and house fiscal agencies, and state budget director a report by March 30 of the current fiscal year that contains all of the following:

(a) The total allocation of state resources made to each area agency on aging by individual program and administration.

(b) Detail expenditure by each area agency on aging by individual program and administration including both state-funded resources and locally-funded resources.

Sec. 1418. From the funds appropriated in part 1 for nutrition services, the department shall maximize funding for home-delivered meals to the extent allowable under federal law and regulation.

## **MEDICAL SERVICES**

Sec. 1601. The cost of remedial services incurred by residents of licensed adult foster care homes and licensed homes for the aged shall be used in determining financial eligibility for the medically needy. Remedial services include basic self-care and rehabilitation training for a resident.

Sec. 1602. Medical services shall be provided to elderly and disabled persons with incomes less than or equal to 100% of the federal poverty level, pursuant to the state's option to elect such coverage set out at section 1902(a)(10)(A)(ii) and (m) of title XIX, 42 USC 1396a.

Sec. 1603. (1) The department may establish a program for persons to purchase medical coverage at a rate determined by the department.

(2) The department may receive and expend premiums for the buy-in of medical coverage in addition to the amounts appropriated in part 1.

(3) The premiums described in this section shall be classified as private funds.

(4) The department shall modify program policies to permit individuals eligible for the transitional medical assistance plus program, as structured in fiscal year 2009-2010, to access medical assistance coverage through a 100% cost share.

Sec. 1604. (1) A Medicaid recipient shall remain eligible and a qualifying applicant shall be determined eligible for medical assistance during a period of incarceration or detention. Medicaid coverage is limited during such a period to off-site inpatient hospitalization only.

(2) A Medicaid recipient is considered incarcerated or detained until released on bail, released as not guilty, released on parole, released on probation, released on pardon, released upon completing a sentence, or released under home detention or tether.

Sec. 1605. (1) The protected income level for Medicaid coverage determined pursuant to section 106(1)(b)(iii) of the social welfare act, 1939 PA 280, MCL 400.106, shall be 100% of the related public assistance standard.

(2) The department shall notify the senate and house appropriations subcommittees on community health and the state budget director of any proposed revisions to the protected income level for Medicaid coverage related to the public assistance standard 90 days prior to implementation.

Sec. 1606. For the purpose of guardian and conservator charges, the department of community health may deduct up to \$60.00 per month as an allowable expense against a recipient's income when determining medical services eligibility and patient pay amounts.

Sec. 1607. (1) An applicant for Medicaid, whose qualifying condition is pregnancy, shall immediately be presumed to be eligible for Medicaid coverage unless the preponderance of evidence in her application indicates otherwise. The applicant who is qualified as described in this subsection shall be allowed to select or remain with the Medicaid participating obstetrician of her choice.

(2) An applicant qualified as described in subsection (1) shall be given a letter of authorization to receive Medicaid covered services related to her pregnancy. All qualifying applicants shall be entitled to receive all medically necessary obstetrical and prenatal care without preauthorization from a health plan. All claims submitted for payment for obstetrical and prenatal care shall be paid at the Medicaid fee-for-service rate in the event a contract does not exist between the Medicaid participating obstetrical or prenatal care provider and the managed care plan. The applicant shall receive a listing of Medicaid physicians and managed care plans in the immediate vicinity of the applicant's residence.

(3) In the event that an applicant, presumed to be eligible pursuant to subsection (1), is subsequently found to be ineligible, a Medicaid physician or managed care plan that has been providing pregnancy services to an applicant under this section is entitled to reimbursement for those services until such time as they are notified by the department that the applicant was found to be ineligible for Medicaid.

(4) If the preponderance of evidence in an application indicates that the applicant is not eligible for Medicaid, the department shall refer that applicant to the nearest public health clinic or similar entity as a potential source for receiving pregnancy-related services.

(5) The department shall develop an enrollment process for pregnant women covered under this section that facilitates the selection of a managed care plan at the time of application.

(6) The department shall mandate enrollment of women, whose qualifying condition is pregnancy, into Medicaid managed care plans.

(7) The department shall encourage physicians to provide women, whose qualifying condition for Medicaid is pregnancy, with a referral to a Medicaid participating dentist at the first pregnancy-related appointment.

Sec. 1610. The department shall provide an administrative procedure for the review of cost report grievances by medical services providers with regard to reimbursement under the medical services program. Settlements of properly submitted cost reports shall be paid not later than 9 months from receipt of the final report.

Sec. 1611. (1) For care provided to medical services recipients with other third-party sources of payment, medical services reimbursement shall not exceed, in combination with such other resources, including Medicare, those amounts established for medical services-only patients. The medical services payment rate shall be accepted as payment in full. Other than an approved medical services co-payment, no portion of a provider's charge shall be billed to the recipient or any person acting on behalf of the recipient. Nothing in this section shall be considered to affect the level of payment from a third-party source other than the medical services program. The department shall require a nonenrolled provider to accept medical services payments as payment in full.

(2) Notwithstanding subsection (1), medical services reimbursement for hospital services provided to dual Medicare/medical services recipients with Medicare part B coverage only shall equal, when combined with payments for Medicare and other third-party resources, if any, those amounts established for medical services-only patients, including capital payments.

Sec. 1620. (1) For fee-for-service recipients who do not reside in nursing homes, the pharmaceutical dispensing fee shall be \$2.75 or the pharmacy's usual or customary cash charge, whichever is less. For nursing home residents, the pharmaceutical dispensing fee shall be \$3.00 or the pharmacy's usual or customary cash charge, whichever is less.

(2) The department shall require a prescription co-payment for Medicaid recipients of \$1.00 for a generic drug and \$3.00 for a brand-name drug, except as prohibited by federal or state law or regulation.

(3) It is the intent of the legislature that if the department realizes savings as a result of the implementation of average manufacturer's price for reimbursement of multiple source generic medication dispensing as imposed pursuant to the federal deficit reduction act of 2005, Public Law 109-171, the savings shall be returned to pharmacies in the form of an increased dispensing fee for medications not to exceed \$2.00. The savings shall be calculated as the difference in state expenditure between the current methodology of payment, which is maximum allowable cost, and the proposed new reimbursement method of average manufacturer's price.

Sec. 1621. The department may implement prospective drug utilization review and disease management systems. The prospective drug utilization review, a pharmacist-approved medication therapy program, and disease management systems authorized by this section shall have physician oversight; focus on patient, physician, and pharmacist education; and be developed in consultation with the national pharmaceutical council, Michigan state medical society, Michigan osteopathic association, Michigan pharmacists association, Michigan health and hospital association, and Michigan nurses association.

Sec. 1623. (1) The department shall continue the Medicaid policy that allows for the dispensing of a 100-day supply for maintenance drugs.

(2) The department shall notify all HMOs, physicians, pharmacies, and other medical providers that are enrolled in the Medicaid program that Medicaid policy allows for the dispensing of a 100-day supply for maintenance drugs.

(3) The notice in subsection (2) shall also clarify that a pharmacy shall fill a prescription written for maintenance drugs in the quantity specified by the physician, but not more than the maximum allowed under Medicaid, unless subsequent consultation with the prescribing physician indicates otherwise.

Sec. 1627. (1) The department shall use procedures and rebates amounts specified under section 1927 of title XIX, 42 USC 1396r-8, to secure quarterly rebates from pharmaceutical manufacturers for outpatient drugs dispensed to participants in the MICHild program, maternal outpatient medical services program, and children's special health care services.

(2) For products distributed by pharmaceutical manufacturers not providing quarterly rebates as listed in subsection (1), the department may require preauthorization.

Sec. 1629. The department shall utilize maximum allowable cost pricing for generic drugs that is based on wholesaler pricing to providers that is available from at least 2 wholesalers who deliver in the state of Michigan.

Sec. 1630. Medicaid coverage for adult dental and podiatric services shall continue at not less than the level in effect on October 1, 2002, except that reasonable utilization limitations may be adopted in order to prevent excess utilization.

Sec. 1631. (1) The department shall require co-payments on dental, podiatric, and vision services provided to Medicaid recipients, except as prohibited by federal or state law or regulation.

(2) Except as otherwise prohibited by federal or state law or regulations, the department shall require Medicaid recipients to pay the following co-payments:

- (a) Two dollars for a physician office visit.
- (b) Three dollars for a hospital emergency room visit.
- (c) Fifty dollars for the first day of an inpatient hospital stay.
- (d) One dollar for an outpatient hospital visit.

Sec. 1633. By March 1 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on the feasibility of providing healthy kids dental coverage in cities rather than entire counties.

Sec. 1635. From the funds appropriated in part 1 for physician services and health plan services, the department shall continue the increase in Medicaid reimbursement rates for obstetrical services implemented in fiscal year 2005-2006.

Sec. 1636. From the funds appropriated in part 1 for physician services and health plan services, the department shall continue the increase in Medicaid reimbursement rates for physician well child procedure codes and primary care procedure codes implemented in fiscal year 2006-2007 and fiscal year 2008-2009. The increased reimbursement rates in this section shall not exceed the comparable Medicare payment rate for the same services.

Sec. 1637. (1) All adult Medicaid recipients shall be offered the opportunity to sign a Medicaid personal responsibility agreement.

(2) The personal responsibility agreement shall include at minimum the following provisions:

- (a) That the recipient shall not smoke.
- (b) That the recipient shall attend all scheduled medical appointments.
- (c) That the recipient shall exercise regularly.
- (d) That if the recipient has children, those children shall be up to date on their immunizations.
- (e) That the recipient shall abstain from abusing controlled substances and narcotics.

Sec. 1641. An institutional provider that is required to submit a cost report under the medical services program shall submit cost reports completed in full within 5 months after the end of its fiscal year.

Sec. 1642. The department shall allow ambulatory surgery centers in this state to fully participate in the Medicaid program.

Sec. 1643. Of the funds appropriated in part 1 for graduate medical education in the hospital services and therapy line-item appropriation, not less than \$12,585,400.00 shall be allocated for the psychiatric residency training program that establishes and maintains collaborative relations with the schools of medicine at Michigan State University and Wayne State University if the necessary allowable Medicaid matching funds are provided by the universities.

Sec. 1647. From the funds appropriated in part 1 for medical services, the department shall allocate for graduate medical education not less than the level of rates and payments in effect on April 1, 2005.

Sec. 1648. The department shall maintain and make available an online resource to enable medical providers to obtain enrollment and benefit information of Medicaid recipients. There shall be no charge to providers for the use of the online resource.

Sec. 1649. From the funds appropriated in part 1 for medical services, the department shall continue breast and cervical cancer treatment coverage for women up to 250% of the federal poverty level, who are under age 65, and who are not otherwise covered by insurance. This coverage shall be provided to women who have been screened through the centers for disease control breast and cervical cancer early detection program, and are found to have breast or cervical cancer, pursuant to the breast and cervical cancer prevention and treatment act of 2000, Public Law 106-354.

Sec. 1650. (1) The department may require medical services recipients residing in counties offering managed care options to choose the particular managed care plan in which they wish to be enrolled. Persons not expressing a preference may be assigned to a managed care provider.

(2) Persons to be assigned a managed care provider shall be informed in writing of the criteria for exceptions to capitated managed care enrollment, their right to change HMOs for any reason within the initial 90 days of enrollment, the toll-free telephone number for problems and complaints, and information regarding grievance and appeals rights.

(3) The criteria for medical exceptions to HMO enrollment shall be based on submitted documentation that indicates a recipient has a serious medical condition, and is undergoing active treatment for that condition with a physician who does not participate in 1 of the HMOs. If the person meets the criteria established by this subsection, the department shall grant an exception to mandatory enrollment at least through the current prescribed course of treatment, subject to periodic review of continued eligibility.

Sec. 1651. (1) Medical services patients who are enrolled in HMOs have the choice to elect hospice services or other services for the terminally ill that are offered by the HMOs. If the patient elects hospice services, those services shall be provided in accordance with part 214 of the public health code, 1978 PA 368, MCL 333.21401 to 333.21420.

(2) The department shall not amend the medical services hospice manual in a manner that would allow hospice services to be provided without making available all comprehensive hospice services described in 42 CFR part 418.

Sec. 1652. Any new contracts with Medicaid health plans negotiated or signed, or both, during the current fiscal year shall include the following provisions regarding expansion of services by the Medicaid HMOs to counties not previously served by that Medicaid HMO:

(a) The Medicaid HMO shall not sell, transfer, or otherwise convey to any person all or any portion of the HMO's assets or business, whether in the form of equity, debt or otherwise, for a period of 3 years from the date the Medicaid HMO commences operations in a new service area.

(b) That any Medicaid HMOs that expand into a county with a population of at least 1,500,000 shall also expand its coverage to a county with a population of less than 100,000 which has 1 or fewer HMOs participating in the Medicaid program.

Sec. 1653. Implementation and contracting for managed care by the department through HMOs shall be subject to the following conditions:

(a) Continuity of care is assured by allowing enrollees to continue receiving required medically necessary services from their current providers for a period not to exceed 1 year if enrollees meet the managed care medical exception criteria.

(b) The department shall require contracted HMOs to submit data determined necessary for evaluation on a timely basis.

(c) Mandatory enrollment of Medicaid beneficiaries living in counties defined as rural by the federal government, which is any nonurban standard metropolitan statistical area, is allowed if there is only 1 HMO serving the Medicaid population, as long as each Medicaid beneficiary is assured of having a choice of at least 2 physicians by the HMO.

(d) Enrollment of recipients of children's special health care services in HMOs shall continue to be voluntary for those enrolled in the children's special health care services program. Children's special health care services recipients shall be informed of the opportunity to enroll in HMOs.

(e) The department shall develop a case adjustment to its rate methodology that considers the costs of persons with HIV/AIDS, end stage renal disease, organ transplants, and other high-cost diseases or conditions and shall implement the case adjustment when it is proven to be actuarially and fiscally sound. Implementation of the case adjustment must be budget neutral.

(f) Prior to contracting with an HMO for managed care services that did not have a contract with the department before October 1, 2002, the department shall receive assurances from the office of financial and insurance regulation that the HMO meets the net worth and financial solvency requirements contained in chapter 35 of the insurance code of 1956, 1956 PA 218, MCL 500.3501 to 500.3580.

Sec. 1654. Medicaid HMOs shall provide for reimbursement of HMO covered services delivered other than through the HMO's providers if medically necessary and approved by the HMO, immediately required, and that could not be reasonably obtained through the HMO's providers on a timely basis. Such services shall be considered approved if the HMO does not respond to a request for authorization within 24 hours of the request. Reimbursement shall not exceed the Medicaid fee-for-service payment for those services.

Sec. 1655. (1) The department may require a 12-month lock-in to the HMO selected by the recipient during the initial and subsequent open enrollment periods, but allow for good cause exceptions during the lock-in period.

(2) Medicaid recipients shall be allowed to change HMOs for any reason within the initial 90 days of enrollment.

Sec. 1656. (1) The department shall provide an expedited complaint review procedure for Medicaid eligible persons enrolled in HMOs for situations in which failure to receive any health care service would result in significant harm to the enrollee.

(2) The department shall provide for a toll-free telephone number for Medicaid recipients enrolled in managed care to assist with resolving problems and complaints. If warranted, the department shall immediately disenroll persons from managed care and approve fee-for-service coverage.

Sec. 1657. (1) Reimbursement for medical services to screen and stabilize a Medicaid recipient, including stabilization of a psychiatric crisis, in a hospital emergency room shall not be made contingent on obtaining prior authorization from the recipient's HMO. If the recipient is discharged from the emergency room, the hospital shall notify the recipient's HMO within 24 hours of the diagnosis and treatment received.

(2) If the treating hospital determines that the recipient will require further medical service or hospitalization beyond the point of stabilization, that hospital must receive authorization from the recipient's HMO prior to admitting the recipient.

(3) Subsections (1) and (2) shall not be construed as a requirement to alter an existing agreement between an HMO and its contracting hospitals nor as a requirement that an HMO must reimburse for services that are not considered to be medically necessary.

Sec. 1658. (1) HMOs shall have contracts with hospitals within a reasonable distance from their enrollees. If a hospital does not contract with the HMO in its service area, that hospital shall enter into a hospital access agreement as specified in the Medical Services Administration Bulletin Hospital 01-19.

(2) A hospital access agreement specified in subsection (1) shall be considered an affiliated provider contract pursuant to the requirements contained in chapter 35 of the insurance code of 1956, 1956 PA 218, MCL 500.3501 to 500.3580.

Sec. 1659. The following sections of this act are the only ones that shall apply to the following Medicaid managed care programs, including the comprehensive plan, MIChoice long-term care plan, and the mental health, substance abuse, and developmentally disabled services program: 271, 401, 402, 404, 411, 414, 418, 424, 428, 456, 460, 474, 1204, 1607, 1650, 1651, 1652, 1653, 1654, 1655, 1656, 1657, 1658, 1660, 1661, 1662, 1679, 1681, 1684, 1688, 1689, 1690, 1699, 1711, 1739, 1740, 1752, 1756, 1764, 1772, 1783, 1786, 1787, 1815, 1816, 1819, 1820, 1821, 1822, 1824, 1826, and 1835.

Sec. 1660. (1) The department shall assure that all Medicaid children have timely access to EPSDT services as required by federal law. Medicaid HMOs shall provide EPSDT services to their child members in accordance with Medicaid EPSDT policy.

(2) The primary responsibility of assuring a child's hearing and vision screening is with the child's primary care provider. The primary care provider shall provide age-appropriate screening or arrange for these tests through referrals to local health departments. Local health departments shall provide preschool hearing and vision screening services and accept referrals for these tests from physicians or from Head Start programs in order to assure all preschool children have appropriate access to hearing and vision screening. Local health departments shall be reimbursed for the cost of providing these tests for Medicaid eligible children by the Medicaid program.

(3) The department shall prohibit HMOs from requiring prior authorization of their contracted providers for any EPSDT screening and diagnosis services.

(4) The department shall require HMOs to be responsible for well child visits as described in Medicaid policy. These responsibilities shall be specified in the information distributed by the HMOs to their members.

(5) The department shall provide, on an annual basis, budget-neutral incentives to Medicaid HMOs and local health departments to improve performance on measures related to the care of children.

Sec. 1661. (1) The department shall assure that all Medicaid eligible children and pregnant women have timely access to MIHP services. Medicaid HMOs shall assure that MIHP screening is available to their pregnant members and that those women found to meet the MIHP high-risk criteria are offered maternal support services. Local health departments shall assure that MIHP screening is available for Medicaid pregnant women and that those women found to meet the MIHP high-risk criteria are offered MIHP services or are referred to a certified MIHP provider.

(2) The department shall require HMOs to be responsible for the coordination of MIHP services as described in Medicaid policy. These responsibilities shall be specified in the information distributed by the HMOs to their members.

(3) The department shall assure the coordination of MIHP services with the WIC program, state-supported substance abuse, smoking prevention, and violence prevention programs, the department of human services, and any other state or local program with a focus on preventing adverse birth outcomes and child abuse and neglect.

(4) The department shall provide, on an annual basis, budget-neutral incentives to Medicaid HMOs and local health departments to improve performance on measures related to the care of pregnant women.

Sec. 1662. (1) The department shall assure that an external quality review of each contracting HMO is performed that results in an analysis and evaluation of aggregated information on quality, timeliness, and access to health care services that the HMO or its contractors furnish to Medicaid beneficiaries.

(2) The department shall require Medicaid HMOs to provide EPSDT utilization data through the encounter data system, and health employer data and information set well child health measures in accordance with the National Committee on Quality Assurance prescribed methodology.

(3) The department shall provide a copy of the analysis of the Medicaid HMO annual audited health employer data and information set reports and the annual external quality review report to the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director, within 30 days of the department's receipt of the final reports from the contractors.

(4) The department shall work with the Michigan association of health plans and the Michigan association for local public health to improve service delivery and coordination in the MIHP and EPSDT programs.

(5) The department shall assure that training and technical assistance are available for EPSDT and MIHP for Medicaid health plans, local health departments, and MIHP contractors.

Sec. 1670. (1) The appropriation in part 1 for the MICHild program is to be used to provide comprehensive health care to all children under age 19 who reside in families with income at or below 200% of the federal poverty level, who are uninsured and have not had coverage by other comprehensive health insurance within 6 months of making application for MICHild benefits, and who are residents of this state. The department shall develop detailed eligibility criteria through the medical services administration public concurrence process, consistent with the provisions of this act. Health coverage for children in families between 150% and 200% of the federal poverty level shall be provided through a state-based private health care program.

(2) The department may provide up to 1 year of continuous eligibility to children eligible for the MICHild program unless the family fails to pay the monthly premium, a child reaches age 19, or the status of the children's family changes and its members no longer meet the eligibility criteria as specified in the federally approved MICHild state plan.

(3) Children whose category of eligibility changes between the Medicaid and MICHild programs shall be assured of keeping their current health care providers through the current prescribed course of treatment for up to 1 year, subject to periodic reviews by the department if the beneficiary has a serious medical condition and is undergoing active treatment for that condition.

(4) To be eligible for the MICHild program, a child must be residing in a family with an adjusted gross income of less than or equal to 200% of the federal poverty level. The department's verification policy shall be used to determine eligibility.

(5) The department shall enter into a contract to obtain MICHild services from any HMO, dental care corporation, or any other entity that offers to provide the managed health care benefits for MICHild services at the MICHild capitated rate. As used in this subsection:

(a) "Dental care corporation", "health care corporation", "insurer", and "prudent purchaser agreement" mean those terms as defined in section 2 of the prudent purchaser act, 1984 PA 233, MCL 550.52.

(b) "Entity" means a health care corporation or insurer operating in accordance with a prudent purchaser agreement.

(6) The department may enter into contracts to obtain certain MICHild services from community mental health service programs.

(7) The department may make payments on behalf of children enrolled in the MICHild program from the line-item appropriation associated with the program as described in the MICHild state plan approved by the United States department of health and human services, or from other medical services.

(8) The department shall assure that an external quality review of each MICHild contractor, as described in subsection (5), is performed, which analyzes and evaluates the aggregated information on quality, timeliness, and access to health care services that the contractor furnished to MICHild beneficiaries.

(9) The department shall develop an automatic enrollment algorithm that is based on quality and performance factors.

Sec. 1671. From the funds appropriated in part 1, the department shall continue a comprehensive approach to the marketing and outreach of the MICHild program. The marketing and outreach required under this section shall be coordinated with current outreach, information dissemination, and marketing efforts and activities conducted by the department.

Sec. 1673. The department may establish premiums for MICHild eligible persons in families with income above 150% of the federal poverty level. The monthly premiums shall not be less than \$10.00 or exceed \$15.00 for a family.

Sec. 1677. The MICHild program shall provide all benefits available under the state employee insurance plan that are delivered through contracted providers and consistent with federal law, including, but not limited to, the following medically necessary services:

(a) Inpatient mental health services, other than substance abuse treatment services, including services furnished in a state-operated mental hospital and residential or other 24-hour therapeutically planned structured services.

(b) Outpatient mental health services, other than substance abuse services, including services furnished in a state-operated mental hospital and community-based services.

(c) Durable medical equipment and prosthetic and orthotic devices.

(d) Dental services as outlined in the approved MICHild state plan.

(e) Substance abuse treatment services that may include inpatient, outpatient, and residential substance abuse treatment services.

(f) Care management services for mental health diagnoses.

(g) Physical therapy, occupational therapy, and services for individuals with speech, hearing, and language disorders.

(h) Emergency ambulance services.

Sec. 1678. The department shall explore the cost to implement automatic enrollment in Medicaid or MICHild if the child meets all of the eligibility requirements for Medicaid or MICHild and meets the income eligibility criteria for free breakfast, lunch, or milk as determined under the Richard B. Russell national school lunch act, Public Law 79-396.

Sec. 1679. The department shall redetermine the mental health portion of the rates paid for the MICHild program based on the most recently available encounter data for MICHild enrollees. From the funds appropriated in part 1, the department shall pay CMHSPs rates sufficient to cover the cost of providing care to MICHild enrollees.

Sec. 1680. Payment increases for enhanced wages and new or enhanced employee benefits provided in previous years through the Medicaid nursing home wage pass-through program shall be continued.

Sec. 1681. From the funds appropriated in part 1 for home- and community-based services, the department and local waiver agents shall encourage the use of family members, friends, and neighbors of home- and community-based services participants, where appropriate, to provide homemaker services, meal preparation, transportation, chore services, and other nonmedical covered services to participants in the Medicaid home- and community-based services program. This section shall not be construed as allowing for the payment of family members, friends, or neighbors for these services unless explicitly provided for in federal or state law.

Sec. 1682. (1) The department shall implement enforcement actions as specified in the nursing facility enforcement provisions of section 1919 of title XIX, 42 USC 1396r.

(2) In addition to the appropriations in part 1, the department is authorized to receive and spend penalty money received as the result of noncompliance with medical services certification regulations. Penalty money, characterized as private funds, received by the department shall increase authorizations and allotments in the long-term care accounts.

(3) The department is authorized to provide civil monetary penalty funds to the disability network of Michigan to be distributed to the 15 centers for independent living for the purpose of assisting individuals with disabilities who reside in nursing homes to return to their own homes.

(4) The department is authorized to use civil monetary penalty funds to conduct a survey evaluating consumer satisfaction and the quality of care at nursing homes. Factors can include, but are not limited to, the level of satisfaction of nursing home residents, their families, and employees. The department may use an independent contractor to conduct the survey.

(5) Any unexpended penalty money, at the end of the year, shall carry forward to the following year.

Sec. 1683. The department shall promote activities that preserve the dignity and rights of terminally ill and chronically ill individuals. Priority shall be given to programs, such as hospice, that focus on individual dignity and quality of care provided persons with terminal illness and programs serving persons with chronic illnesses that reduce the rate of suicide through the advancement of the knowledge and use of improved, appropriate pain management for these persons; and initiatives that train health care practitioners and faculty in managing pain, providing palliative care, and suicide prevention.

Sec. 1684. The department shall submit a report by September 30 of the current fiscal year to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director that will identify by waiver agent, Medicaid home- and community-based services waiver costs by administration, case management, and direct services.

Sec. 1685. All nursing home rates, class I and class III, shall have their respective fiscal year rate set 30 days prior to the beginning of their rate year. Rates may take into account the most recent cost report prepared and certified by the preparer, provider corporate owner or representative as being true and accurate, and filed timely, within 5 months of the fiscal year end in accordance with Medicaid policy. If the audited version of the last report is available, it shall be used. Any rate factors based on the filed cost report may be retroactively adjusted upon completion of the audit of that cost report.

Sec. 1687. If the patient protection and affordable care act, Public Law 111-148, is repealed or overturned, the department shall study the feasibility, impact, and cost of supporting a Medicaid rate enhancement to be used exclusively to fund affordable, accessible, and adequate health insurance for direct care workers in nursing homes, adult foster care homes, homes for the aged, and home- and community-based services programs. If a study is done under this section, the department shall report its findings and recommendations to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by April 1 of the current fiscal year.

Sec. 1688. The department shall not impose a limit on per unit reimbursements to service providers that provide personal care or other services under the Medicaid home- and community-based services waiver program for the elderly and disabled. The department's per day per client reimbursement cap calculated in the aggregate for all services provided under the Medicaid home- and community-based services waiver is not a violation of this section.

Sec. 1689. (1) Priority in enrolling additional persons in the Medicaid home- and community-based services waiver program shall be given to those who are currently residing in nursing homes or who are eligible to be admitted to a nursing home if they are not provided home- and community-based services. The department shall use screening and assessment procedures to assure that no additional Medicaid eligible persons are admitted to nursing homes who would be more appropriately served by the Medicaid home- and community-based services waiver program.

(2) Within 60 days of the end of each fiscal year, the department shall provide a report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies that details existing and future allocations for the home- and community-based services waiver program by regions as well as the associated

expenditures. The report shall include information regarding the net cost savings from moving individuals from a nursing home to the home- and community-based services waiver program, the number of individuals transitioned from nursing homes to the home- and community-based services waiver program, the number of individuals on waiting lists by region for the program, and the amount of funds transferred during the fiscal year. The report shall also include the number of Medicaid individuals served and the number of days of care for the home- and community-based services waiver program and in nursing homes.

(3) The department shall develop a system to collect and analyze information regarding individuals on the home- and community-based services waiver program waiting list to identify the community supports they receive, including, but not limited to, adult home help, food assistance, and housing assistance services and to determine the extent to which these community supports help individuals remain in their home and avoid entry into a nursing home. The department shall provide a progress report on implementation to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by June 1 of the current fiscal year.

(4) The department shall maintain any policies, guidelines, procedures, standards, and regulations in order to limit the self-determination option with respect to the home- and community-based services waiver program to those services furnished by approved home-based service providers meeting provider qualifications established in the waiver and approved by the centers for Medicare and Medicaid services.

Sec. 1690. (1) The department shall submit a report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director by April 1 of the current fiscal year, to include all data collected on the quality assurance indicators in the preceding fiscal year for the home- and community-based services waiver program, as well as quality improvement plans and data collected on critical incidents in the waiver program and their resolutions.

(2) The department shall submit a report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director by April 1 of the current fiscal year, to include all data collected on the quality assurance indicators in the preceding fiscal year for the adult home help program, as well as quality improvement plans and data collected on critical incidents in the adult home help program and their resolutions.

Sec. 1691. Payment increases provided in previous years to adult home help workers shall be continued.

Sec. 1692. (1) The department is authorized to pursue reimbursement for eligible services provided in Michigan schools from the federal Medicaid program. The department and the state budget director are authorized to negotiate and enter into agreements, together with the department of education, with local and intermediate school districts regarding the sharing of federal Medicaid services funds received for these services. The department is authorized to receive and disburse funds to participating school districts pursuant to such agreements and state and federal law.

(2) From the funds appropriated in part 1 for medical services school-based services payments, the department is authorized to do all of the following:

(a) Finance activities within the medical services administration related to this project.

(b) Reimburse participating school districts pursuant to the fund-sharing ratios negotiated in the state-local agreements authorized in subsection (1).

(c) Offset general fund costs associated with the medical services program.

Sec. 1693. (1) The special Medicaid reimbursement appropriation in part 1 may be increased if the department submits a medical services state plan amendment pertaining to this line item at a level higher than the appropriation. The department is authorized to appropriately adjust financing sources in accordance with the increased appropriation.

(2) The department shall ensure that all public entities eligible for special Medicaid reimbursement that participate in the Medicaid program are aware of the existence of these programs.

Sec. 1694. The department shall distribute \$1,122,300.00 to an academic health care system that includes a children's hospital that has a high indigent care volume.

Sec. 1697. (1) As may be allowed by federal law or regulation, the department may use funds provided by a local or intermediate school district, which have been obtained from a qualifying health system, as the state match required for receiving federal Medicaid or children health insurance program funds. Any such funds received shall be used only to support new school-based or school-linked health services.

(2) A qualifying health system is defined as any health care entity licensed to provide health care services in the state of Michigan, that has entered into a contractual relationship with a local or intermediate school district to provide or manage school-based or school-linked health services.

Sec. 1699. (1) The department may make separate payments directly to qualifying hospitals serving a disproportionate share of indigent patients in the amount of \$52,500,000.00, and to hospitals providing graduate medical education training programs. If direct payment for GME and DSH is made to qualifying hospitals for services to Medicaid clients, hospitals will not include GME costs or DSH payments in their contracts with HMOs.

(2) The department shall allocate \$45,000,000.00 in disproportionate share hospital funding using the distribution methodology used in fiscal year 2003-2004.

(3) The department shall allocate \$7,500,000.00 in disproportionate share hospital funding to unaffiliated hospitals and hospital systems that received less than \$900,000.00 in disproportionate share hospital payments in fiscal year 2007-2008 based on a formula that is weighted proportional to the product of each eligible system's Medicaid revenue and each eligible system's Medicaid utilization, except that no payment of less than \$1,000.00 shall be made.

(4) By September 30 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the new distribution of funding to each eligible hospital from the 2 pools.

Sec. 1711. The department shall maintain the 2-tier reimbursement methodology for Medicaid emergency physicians professional services that was in effect on September 30, 2002.

Sec. 1712. (1) Subject to the availability of funds, the department shall implement a rural health initiative. Available funds shall first be allocated as an outpatient adjustor payment to be paid directly to hospitals in rural counties in proportion to each hospital's Medicaid and indigent patient population. Additional funds, if available, shall be allocated for defibrillator grants, emergency medical technician training and support, or other similar programs.

(2) Except as otherwise specified in this section, "rural" means a county, city, village, or township with a population of not more than 30,000, including those entities if located within a metropolitan statistical area.

Sec. 1718. The department shall provide each Medicaid adult home help beneficiary or applicant with the right to a fair hearing when the department or its agent reduces, suspends, terminates, or denies adult home help services. If the department takes action to reduce, suspend, terminate, or deny adult home help services, it shall provide the beneficiary or applicant with a written notice that states what action the department proposes to take, the reasons for the intended action, the specific regulations that support the action, and an explanation of the beneficiary's or applicant's right to an evidentiary hearing and the circumstances under which those services will be continued if a hearing is requested.

Sec. 1724. The department shall allow licensed pharmacies to purchase injectable drugs for the treatment of respiratory syncytial virus for shipment to physicians' offices to be administered to specific patients. If the affected patients are Medicaid eligible, the department shall reimburse pharmacies for the dispensing of the injectable drugs and reimburse physicians for the administration of the injectable drugs.

Sec. 1731. The department shall continue an asset test to determine Medicaid eligibility for individuals who are parents, caretaker relatives, or individuals between the ages of 18 and 21 and who are not required to be covered under federal Medicaid requirements.

Sec. 1732. The department shall assure that, if proposed modifications to the quality assurance assessment program for nursing homes are not implemented, the projected general fund/general purpose savings shall not be achieved through reductions in nursing home reimbursement rates.

Sec. 1734. The department shall seek federal money for demonstration programs that will permit this state to provide financial incentives for positive health behavior practiced by Medicaid recipients, including, but not limited to, consumer-driven strategies that enable Medicaid recipients to choose coverage that meets their individual needs and that authorize monetary or other rewards for demonstrating positive health behavior changes.

Sec. 1739. The department shall continue the contractor performance bonus program for Medicaid health plans. The contractor performance bonus program may include indicators based on the prevalent and chronic conditions affecting the Medicaid population and indicators of preventive health status for adults and children.

Sec. 1740. From the funds appropriated in part 1 for health plan services, the department shall assure that all GME funds continue to be promptly distributed to qualifying hospitals using the methodology developed in consultation with the graduate medical education advisory group during fiscal year 2006-2007.

Sec. 1741. The department shall continue to provide nursing homes the opportunity to receive interim payments upon their request. The department shall make efforts to ensure that the interim payments are as similar to expected cost-settled payments as possible.

Sec. 1752. The department shall provide a Medicaid health plan with any information that may assist the Medicaid health plan in determining whether another party may be responsible, in whole or in part, for the payment of health benefits.

Sec. 1756. The department shall establish and implement a specialized case and care management program to serve the most costly Medicaid beneficiaries who are noncompliant with medical management, including persons with chronic diseases and mental health diagnoses, high prescription drug utilizers, members demonstrating noncompliance with previous medical management, and neonates. The case and care management program shall, at a minimum, provide a performance payment incentive for physicians who manage the recipient's care and health costs in the most effective way. The department may also develop additional contractual arrangements with 1 or more Medicaid HMOs for the provision of specialized case management services. Contracts with Medicaid HMOs may include provisions requiring collection of data related to Medicaid recipient compliance. Measures of patient compliance may include the proportion of clients who fill their prescriptions, the rate of clients who do not show for scheduled medical appointments, and the proportion of clients who use their medication.

Sec. 1757. (1) The department shall direct the department of human services to obtain proof from all Medicaid recipients that they are legal United States citizens or otherwise legally residing in this country and that they are residents of this state before approving Medicaid eligibility.

(2) It is the intent of the legislature that the department seek clarification from the federal government on whether states can deny Medicaid eligibility to fugitive felons through a state plan amendment or waiver. The department shall report to the legislature on the results of this effort.

Sec. 1764. The department shall annually certify rates paid to Medicaid health plans as being actuarially sound in accordance with federal requirements and shall provide a copy of the rate certification and approval immediately to the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies.

Sec. 1767. The department shall study and evaluate the impact of the change in the way in which the Medicaid program pays pharmacists for prescriptions from average wholesale price to average manufacturer price as required by the federal deficit reduction act of 2005, Public Law 109-171. Upon release of the data by the centers for Medicare and Medicaid services, the department shall submit a report of its study to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies. If the department finds that there is a negative impact on the pharmacists, the department shall reexamine the current pharmaceutical dispensing fee structure established under section 1620 and include in the report recommendations and proposals to counter the negative impact of that federal legislation.

Sec. 1770. In conjunction with the consultation requirements of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and except as otherwise provided in this section, the department shall attempt to make the effective date for a proposed Medicaid policy bulletin or adjustment to the Medicaid provider manual on October 1, January 1, April 1, or July 1 after the end of the consultation period. The department may provide an effective date for a proposed Medicaid policy bulletin or adjustment to the Medicaid provider manual other than provided for in this section if necessary to be in compliance with federal or state law, regulations, or rules or with an executive order of the governor.

Sec. 1772. From the funds appropriated in part 1, the department shall continue a program, the primary goal of which is to enroll all children in foster care in Michigan in a Medicaid HMO.

Sec. 1773. (1) The department shall establish and implement a bid process to identify a single private contractor to provide Medicaid covered nonemergency transportation services in each county with a population over 750,000 individuals.

(2) The department shall reimburse mileage for nonemergency transportation that encourages contractors to participate.

Sec. 1775. The department shall provide a progress report on ongoing efforts to implement long-term managed care initiatives to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by June 1 of the current fiscal year.

Sec. 1777. From the funds appropriated in part 1 for long-term care services, the department shall permit, in accordance with applicable federal and state law, nursing homes to use dining assistants to feed eligible residents if legislation to permit the use of dining assistants is enacted into law. The department shall not be responsible for costs associated with training dining assistants.

Sec. 1783. (1) The department shall develop rates by April 1 of the current fiscal year for the enrollment of individuals dually eligible for Medicare and Medicaid into Medicaid health plans if those health plans also maintain a Medicare advantage special needs plan certified by the centers for Medicare and Medicaid services.

(2) The department shall report quarterly to the house and senate appropriations subcommittees on community health and to the house and senate fiscal agencies the status of the rate development described in subsection (1) and the number of dual eligibles enrolled by month in Medicaid health plans with Medicare advantage special needs plan certification for the current fiscal year.

Sec. 1786. The department shall convene a workgroup to consider reimbursement changes for hospital admissions of less than 24 hours. The workgroup shall include at a minimum the Michigan association of health plans and the Michigan health and hospital association. Any changes adopted by the department must be budget neutral.

Sec. 1787. The department shall require the managed care enrollment broker to maintain telephone numbers of Medicaid beneficiaries and provide each Medicaid health plan with the telephone number of that health plan's enrollees on a monthly basis.

Sec. 1802. The department may spend up to \$100,000.00 on a pilot program targeting Medicaid recipients with certain high-cost or complex health conditions. This pilot shall provide financial incentives to primary care physicians to handle disease management responsibilities for these Medicaid recipients.

Sec. 1804. The department, in cooperation with the department of human services, shall work with the federal public assistance reporting information system to identify Medicaid recipients who are veterans and who may be eligible for federal veterans health care benefits or other benefits.

Sec. 1812. From the funds appropriated in part 1 for medical services administration, up to \$100.00 may be allocated to support a pilot project to develop a regional health care resource sharing network. By encouraging collaboration and partnerships between local hospitals, this network is expected to enable each hospital to maintain independence and community control while sharing best practices and resources. The pilot shall be designed to improve access, improve patient outcomes, and lower costs in a medical home model. The region for the pilot shall encompass 22 counties and have 10 hospitals.

Sec. 1815. From the funds appropriated in part 1 for health plan services, the department may not implement a capitation withhold as part of the overall capitation rate schedule that exceeds the 0.19% withhold administered during fiscal year 2008-2009.

Sec. 1816. The department shall work with the Michigan association of health plans to develop and implement strategies for the use of information technology services for claims payment, claims status, and related functions.

Sec. 1817. The department shall report to the legislature on implementation of a policy that will prohibit billing for care made necessary by preventable medical errors or adverse health events no later than April 1 of the current fiscal year.

Sec. 1819. The department shall use Medicaid health plan encounter data in the development and revision of hospital diagnosis related group pricing policy.

Sec. 1820. The department shall recognize accrediting organizations for Medicaid health plans and shall consider accreditation results when reviewing the performance of Medicaid health plans.

Sec. 1821. The department shall establish appropriate performance standards for Medicaid health plans 6 months in advance of the application of those standards. The determination of performance shall be based on and include such recognized concepts as 1-year continuous enrollment and healthcare effectiveness data and information set audited data.

Sec. 1822. The department, the department's contracted Medicaid pharmacy benefit manager, and all Medicaid health plans shall implement coverage for a mental health prescription drug within 30 days of that drug's approval by the department's pharmacy and therapeutics committee.

Sec. 1824. Individuals who live in homes for the aged or adult foster care facilities shall be eligible to apply for enrollment for services from the home- and community-based waiver program.

Sec. 1826. The department shall develop a plan to expand and improve the beneficiary monitoring program. This plan shall include cost-effective methods to monitor and reduce unnecessary health care services, including prescription drugs, improve coordination of services between the primary care physician and mental health and substance abuse service providers, and improve compliance with prescribed medical management to reduce more costly use of emergency services. The department shall submit this plan to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director by April 1 of the current fiscal year.

Sec. 1829. Notwithstanding the removal of coverage for certain optional Medicaid services, the department shall continue its policy of providing coverage for emergency services. For this purpose, the department shall continue to adhere to the guidelines outlined in Medical Services Administration policy bulletin MSA 09-28.

Sec. 1832. (1) The department shall continue efforts to standardize billing formats, referral forms, electronic credentialing, primary source verification, electronic billing and attachments, claims status, eligibility verification, and reporting of accepted and rejected encounter records received in the department data warehouse.

(2) The department shall convene a workgroup on making e-billing mandatory for the Medicaid program. The workgroup shall include representatives from medical provider organizations, Medicaid HMOs, and the department. The department shall report to the legislature on the findings of the workgroup by April 1 of the current fiscal year.

(3) The department shall provide a report by April 1 of the current fiscal year to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies detailing the percentage of claims for Medicaid reimbursement provided to the department that were initially rejected in the first quarter of fiscal year 2010-2011.

Sec. 1834. Individuals dually eligible for Medicaid and Medicare who are enrolled in a Medicare advantage special needs plan shall be eligible for services provided through the home- and community-based waiver program.

Sec. 1835. The department shall develop and implement processes to report rejected and accepted encounters to Medicaid health plans. Medicaid health plans shall be permitted to report additional medical records data obtained during medical record audits to the encounter warehouse consistent with Medicare guidelines.

Sec. 1836. In addition to the guidelines established in Medical Services Administration bulletin MSA 09-28, medically necessary optical devices and other treatment services for adult Medicaid patients shall be covered when conventional treatments do not provide functional vision correction. Such ocular conditions include, but are not limited to, congenital or acquired ocular disease or eye trauma.

Sec. 1837. The department shall explore utilization of telemedicine as a strategy to increase access to primary care services for Medicaid recipients in medically underserved areas.

Sec. 1838. (1) The department shall convene a workgroup consisting of nursing home provider representatives, including aging services of Michigan, the health care association of Michigan, and the Michigan county medical care facilities council, to identify possible budget-neutral changes in reimbursement for long-term care facilities. This workgroup shall first develop a case mix adjustment system to establish a level playing field for other possible reimbursement changes. These changes may include the provision of incentive payments to long-term care facilities considering measures of service quality, cost efficiency, volume of Medicaid beneficiaries served, and demonstrated commitment to underserved areas of the state or by examining the current long-term care reimbursement system and reviewing alternative reimbursement methodologies, or both.

(2) The department shall provide an update on the efforts of the workgroup required in subsection (1) with its presentation of the executive budget recommendation to the senate and house appropriations subcommittees on community health.

Sec. 1839. (1) The department shall work with relevant parties to explore the feasibility of seeking a modification of the demonstration waiver authorizing the Medicaid adult benefits waiver to expand physical and mental health coverage to childless adults with serious mental illness.

(2) The department shall provide an update of the findings associated with the requirements in subsection (1), including an estimate of any change in program general fund/general purpose cost and the number of individuals accessing physical health insurance, with its presentation of the executive budget recommendation to the senate and house appropriations subcommittees on community health.

Sec. 1841. The department shall report to the legislature on the fiscal impact of federal health reform legislation that has been implemented on the department's budget. This report shall be provided to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by April 1 of the current fiscal year.

Sec. 1842. (1) Subject to the availability of funds, the department shall adjust the hospital outpatient Medicaid reimbursement rate for qualifying hospitals as provided in this section. The Medicaid reimbursement rate for qualifying hospitals shall be adjusted to provide each qualifying hospital with its actual cost of delivering outpatient services to Medicaid recipients.

(2) As used in this section, "qualifying hospital" means a hospital that has not more than 50 staffed beds and is either located outside a metropolitan statistical area or in a metropolitan statistical area but within a city, village, or township with a population of not more than 12,000 according to the official 2000 federal decennial census and within a county with a population of not more than 165,000 according to the official 2000 federal decennial census.

Sec. 1843. The department shall explore the possibility of Medicaid reimbursement for wellness therapies that are designed to lower the state's cost for Medicaid physical therapy. As used in this section, "wellness therapies" includes, but is not limited to, nutrition counseling, smoking cessation, support groups, and lifestyle management.

Sec. 1844. If 2 or more vendors submit substantially similar bids in the bidding process for health information technology contracts that are proposed by the department and supported with ARRA funds, the department shall give preference, as permitted by law, to vendors established in this state.

Sec. 1846. Contingent upon federal approval, the department shall create a 1-time pool for distribution of disproportionate share hospital funding. The pool, totaling \$27,000,000.00, shall be used to increase the existing outpatient uncompensated care pool to \$87,000,000.00.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved .....

.....  
Governor



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
OFFICE OF THE GOVERNOR  
LANSING

JOHN D. CHERRY, JR.  
LT. GOVERNOR

September 30, 2010

Michigan Senate  
State Capitol  
Lansing, MI 48909-7536

Ladies and Gentlemen:

Today I have signed Enrolled Senate Bill 1152, which makes appropriations for the Department of Community Health for the fiscal year ending September 30, 2011. I have, however, disapproved four items pursuant to Section 19 of Article V of the Michigan Constitution of 1963. The specific vetoes are detailed in the attached copy of the bill that has been filed with the Secretary of State.

This bill appropriates \$14.1 billion gross and over \$2.4 billion from Michigan's general fund. Within this budget bill, adequate funds have been appropriated to restore a number of optional Medicaid services, including adult dental services and podiatric services. In addition, funding to support Children Special Health Care Services non-emergency transportation services was restored.

I am concerned about savings assumptions in this bill that appear overly optimistic. I have asked the Department of Community Health to closely monitor this situation and alert the State Budget Office to any potential budget problems.

I disapproved the Early Childhood Collaborative Secondary Prevention line item due to the fact that insufficient funds are appropriated. Funding for this program is contained in the Department of Human Services budget and I intend to sign the appropriation in that bill.

In addition, I have disapproved sections 1112 and 1139 due to the fact that insufficient funds are appropriated to support the referenced initiatives.

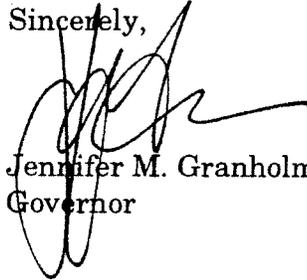
I have also disapproved section 285 because the department already maintains a prescription drug website and insufficient funds are appropriated to

Michigan State Senate  
Page 2  
September 30, 2010

provide the required enhancements.

While I have found it necessary to make modifications to the bill you sent me, I have concurred with the vast majority of your budget actions and I thank the Legislature for your work on this important budget.

Sincerely,

A handwritten signature in black ink, appearing to be 'J. Granholm', written over a circular stamp or seal.

Jennifer M. Granholm  
Governor

c: Michigan State House  
The Honorable Terri Lynn Land

# **CORRECTIONS**



Act No. 188  
Public Acts of 2010  
Approved by the Governor\*  
September 30, 2010  
Filed with the Secretary of State  
September 30, 2010  
EFFECTIVE DATE: September 30, 2010

\*Item Vetoes

**Sec. 104. OPERATIONS SUPPORT ADMINISTRATION**

Interdepartmental grant to legislative auditor general ..... \$ 500,000 (Page 2)

**Sec. 508.**

Entire Section. (Page 21)

**Sec. 933.**

Entire Section. (Page 29)



**STATE OF MICHIGAN  
95TH LEGISLATURE  
REGULAR SESSION OF 2010**

Introduced by Senator Cropsey

**ENROLLED SENATE BILL No. 1153**

AN ACT to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2011; to provide for the expenditure of the appropriations; to provide for reports; to provide for the creation of certain advisory committees and boards; to prescribe certain powers and duties of the department of corrections, certain other state officers and agencies, and certain advisory committees and boards; to provide for the collection of certain funds; and to provide for the disposition of fees and other income received by certain state agencies.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of corrections for the fiscal year ending September 30, 2011, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF CORRECTIONS**

**APPROPRIATION SUMMARY**

Average Michigan population .....	44,181	
Average out-of-state population.....	1,320	
Full-time equated unclassified positions .....	21.0	
Full-time equated classified positions .....	15,856.5	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 2,007,983,600</b>
Appropriated from:		
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....	915,400	
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 2,007,068,200</b>
Federal revenues:		
Total federal revenues .....	7,868,500	
Special revenue funds:		
Total local revenues.....	443,100	
Total private revenues.....	0	
Total other state restricted revenues .....	80,327,100	
State general fund/general purpose .....		<b>\$ 1,918,429,500</b>

**Sec. 102. EXECUTIVE**

Full-time equated unclassified positions .....	21.0	
Full-time equated classified positions .....	52.0	
Unclassified positions—21.0 FTE positions .....		\$ 1,812,100
Executive direction—52.0 FTE positions .....		6,350,200
Neal, et al. settlement agreement .....		10,000,000
<b>GROSS APPROPRIATION .....</b>		<b>\$ 18,162,300</b>
Appropriated from:		
State general fund/general purpose .....		\$ 18,162,300

**Sec. 103. PLANNING AND COMMUNITY SUPPORT**

Full-time equated classified positions .....	12.0	
Mental health awareness training .....		\$ 100,000
MPRI residential stability .....		7,251,300
MPRI employment readiness .....		7,265,100
MPRI social support .....		4,861,000
MPRI health and behavioral health .....		3,357,700
MPRI operations support .....		3,848,400
MPRI other projects .....		27,126,200
MPRI federal grants .....		1,035,000
Substance abuse testing and treatment services—12.0 FTE positions .....		24,071,900
Residential services .....		18,075,500
Community corrections comprehensive plans and services .....		13,958,000
Public education and training .....		50,000
Regional jail program .....		100
Felony drunk driver jail reduction and community treatment program .....		1,740,100
County jail reimbursement program .....		16,572,100
<b>GROSS APPROPRIATION .....</b>		<b>\$ 129,312,400</b>
Appropriated from:		
Federal revenues:		
DOJ, office of justice programs, RSAT .....		143,900
DOJ, prisoner reintegration .....		1,035,000
Special revenue funds:		
Civil infraction fees .....		5,900,000
State general fund/general purpose .....		\$ 122,233,500

**Sec. 104. OPERATIONS SUPPORT ADMINISTRATION**

Full-time equated classified positions .....	163.9	
Operations support administration—49.0 FTE positions .....		\$ 4,861,500
New custody staff training .....		3,623,800
Compensatory buyout and union leave bank .....		100
Worker's compensation .....		16,152,800
Bureau of fiscal management—97.9 FTE positions .....		9,437,300
Office of legal services—6.0 FTE positions .....		1,140,700
Internal affairs—11.0 FTE positions .....		1,169,700
Rent .....		2,095,200
Equipment and special maintenance .....		2,425,500
Administrative hearings officers .....		3,631,100
Judicial data warehouse user fees .....		50,000
Interdepartmental grant to judiciary .....		1,000,000
Interdepartmental grant to legislative auditor general .....		500,000
Interdepartmental grant to corrections ombudsman .....		250,000
Sheriffs' coordinating and training office .....		500,000
Prosecutorial and detainer expenses .....		4,051,000
<b>GROSS APPROPRIATION .....</b>		<b>\$ 50,888,700</b>

Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDSP, Michigan justice training fund .....	\$ 298,400
Special revenue funds:	
Local corrections officer training fund .....	500,000
Correctional industries revolving fund .....	508,100
State general fund/general purpose .....	\$ 49,582,200

**Sec. 105. FIELD OPERATIONS ADMINISTRATION**

Full-time equated classified positions .....	2,193.9	
Field operations—2,023.9 FTE positions .....		\$ 178,661,200
Parole board operations—50.0 FTE positions .....		4,676,300
Parole/probation services .....		2,243,500
Community re-entry centers—59.0 FTE positions .....		14,762,600
Electronic monitoring center—61.0 FTE positions .....		17,156,400
GROSS APPROPRIATION .....		\$ 217,500,000

Appropriated from:	
Special revenue funds:	
Local - community tether program reimbursement.....	443,100
Re-entry center offender reimbursements .....	139,500
Parole and probation oversight fees .....	8,300,000
Parole and probation oversight fees set-aside .....	2,643,500
Public works user fees .....	249,400
Tether program participant contributions .....	3,033,800
State general fund/general purpose .....	\$ 202,690,700

**Sec. 106. CORRECTIONAL FACILITIES ADMINISTRATION**

Full-time equated classified positions .....	1,402.8	
Correctional facilities administration—29.0 FTE positions .....		\$ 8,796,800
Prison food service—414.0 FTE positions .....		67,632,700
Transportation—215.6 FTE positions .....		19,201,300
Central records—53.5 FTE positions .....		4,178,400
DOJ psychiatric plan - MDCH mental health services.....		40,527,800
DOJ psychiatric plan - MDOC staff and services—149.7 FTE positions .....		17,837,800
Inmate legal services .....		715,900
Loans to parolees.....		179,400
Housing inmates in federal institutions.....		793,900
Prison store operations—75.0 FTE positions.....		5,070,000
Prison industries operations—214.0 FTE positions .....		20,699,600
Education services and federal education grants—10.0 FTE positions .....		3,451,800
Federal school lunch program .....		712,800
Leased beds and alternatives to leased beds .....		100
Inmate housing fund .....		100
Education program—242.0 FTE positions.....		30,223,100
GROSS APPROPRIATION .....		\$ 220,021,500

Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDCH, forensic center food service .....	617,000
Federal revenues:	
DAG-FNS, national school lunch .....	712,800
DED-OESE, title 1 .....	529,100
DED-OVAE, adult education .....	903,600
DED-OSERS .....	109,300
DED, vocational education equipment .....	280,700
DED, youthful offender/Speter grant .....	1,307,400
DOJ-BOP, federal prisoner reimbursement.....	211,000
DOJ-OJP, serious and violent offender reintegration initiative .....	10,400
DOJ, prison rape elimination act grant .....	1,004,300
SSA-SSI, incentive payment .....	139,600

Special revenue funds:	
Correctional industries revolving fund .....	\$ 20,800,100
Resident stores .....	4,969,500
State general fund/general purpose .....	\$ 188,426,700

**Sec. 107. HEALTH CARE**

Full-time equated classified positions .....	1,162.0
Health care administration—14.0 FTE positions .....	\$ 3,141,100
Prisoner health care services .....	90,095,500
Vaccination program .....	691,200
Interdepartmental grant to human services, eligibility specialists .....	100,000
Northern region clinical complexes—366.6 FTE positions .....	42,645,200
Southern region clinical complexes—781.4 FTE positions .....	117,057,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 253,730,000</b>

Appropriated from:

Special revenue funds:	
Prisoner health care co-payments .....	349,000
State general fund/general purpose .....	\$ 253,381,000

**Sec. 108. NORTHERN REGION CORRECTIONAL FACILITIES**

Average Michigan population .....	18,744
Average out-of-state population .....	1,320
Full-time equated classified positions .....	4,613.4
Alger maximum correctional facility - Munising—268.0 FTE positions .....	\$ 27,066,000
Average population .....	841
Baraga maximum correctional facility - Baraga—332.1 FTE positions .....	31,596,600
Average population .....	863
Earnest C. Brooks correctional facility - Muskegon—453.0 FTE positions .....	45,554,500
Average population .....	2,365
Chippewa correctional facility - Kincheloe—459.4 FTE positions .....	46,324,400
Average population .....	2,118
Kinross correctional facility - Kincheloe—355.0 FTE positions .....	35,848,600
Average population .....	1,858
Marquette branch prison - Marquette—350.1 FTE positions .....	37,750,200
Average population .....	1,158
Muskegon correctional facility - Muskegon—238.0 FTE positions .....	29,871,600
Average population .....	1,320
Newberry correctional facility - Newberry—270.9 FTE positions .....	26,290,600
Average population .....	1,066
Oaks correctional facility - Eastlake—309.0 FTE positions .....	34,067,400
Average population .....	1,074
Ojibway correctional facility - Marenisco—208.9 FTE positions .....	19,409,400
Average population .....	1,079
Pine River correctional facility - St. Louis—414.9 FTE positions .....	39,675,800
Average population .....	2,400
Pugsley correctional facility - Kingsley—224.0 FTE positions .....	20,894,600
Average population .....	1,329
Saginaw correctional facility - Freeland—314.8 FTE positions .....	31,590,300
Average population .....	1,457
St. Louis correctional facility - St. Louis—325.3 FTE positions .....	32,511,300
Average population .....	1,136
Northern region administration and support—90.0 FTE positions .....	7,023,500
<b>GROSS APPROPRIATION</b> .....	<b>\$ 465,474,800</b>

Appropriated from:

Special revenue funds:	
State restricted fees, out-of-state prisoners .....	29,871,600
Public works user fees .....	530,200
State general fund/general purpose .....	\$ 435,073,000

**Sec. 109. SOUTHERN REGION CORRECTIONAL FACILITIES**

Average population.....	25,437	
Full-time equated classified positions.....	6,256.5	
Bellamy Creek correctional facility - Ionia—399.4 FTE positions.....		\$ 39,211,800
Average population.....	1,820	
Carson City correctional facility - Carson City—458.1 FTE positions.....		46,718,900
Average population.....	2,300	
Cooper street correctional facility - Jackson—275.9 FTE positions.....		28,744,600
Average population.....	1,725	
G. Robert Cotton correctional facility - Jackson—405.5 FTE positions.....		39,188,800
Average population.....	1,846	
Charles E. Egeler correctional facility - Jackson—358.3 FTE positions.....		39,368,200
Average population.....	1,208	
Richard A. Handlon correctional facility - Ionia—235.4 FTE positions.....		23,935,300
Average population.....	1,262	
Gus Harrison correctional facility - Adrian—450.7 FTE positions.....		45,605,000
Average population.....	2,196	
Huron Valley correctional complex - Ypsilanti—564.7 FTE positions.....		58,047,600
Average population.....	1,790	
Ionia maximum correctional facility - Ionia—306.7 FTE positions.....		30,727,100
Average population.....	654	
Lakeland correctional facility - Coldwater—474.8 FTE positions.....		46,453,600
Average population.....	2,466	
Macomb correctional facility - New Haven—307.3 FTE positions.....		29,853,100
Average population.....	1,244	
Maxey/Woodland Center correctional facility - Whitmore Lake—272.2 FTE positions.....		25,519,200
Average population.....	328	
Michigan reformatory - Ionia—323.1 FTE positions.....		32,613,000
Average population.....	1,261	
Mound correctional facility - Detroit—286.4 FTE positions.....		25,528,000
Average population.....	1,035	
Parnall correctional facility - Jackson—269.2 FTE positions.....		27,190,500
Average population.....	1,678	
Ryan correctional facility - Detroit—284.8 FTE positions.....		28,807,100
Average population.....	1,048	
Thumb correctional facility - Lapeer—288.0 FTE positions.....		29,427,800
Average population.....	1,176	
Special alternative incarceration program (Camp Cassidy Lake)—120.0 FTE positions.....		10,965,800
Average population.....	400	
Southern region administration and support—176.0 FTE positions.....		22,928,100
GROSS APPROPRIATION.....		\$ 630,833,500
Appropriated from:		
Federal revenues:		
DOJ, state criminal alien assistance program.....		1,481,400
Special revenue funds:		
Public works user fees.....		1,754,000
State general fund/general purpose.....		\$ 627,598,100

**Sec. 110. INFORMATION TECHNOLOGY**

Information technology services and projects.....		\$ 22,060,400
GROSS APPROPRIATION.....		\$ 22,060,400
Appropriated from:		
Special revenue funds:		
Correctional industries revolving fund.....		158,400
Parole and probation oversight fees set-aside.....		620,000
State general fund/general purpose.....		\$ 21,282,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2010-2011 is \$1,998,756,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2010-2011 is \$92,562,700.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF CORRECTIONS

Field operations - assumption of county probation staff.....	\$	51,579,200
Public service work projects .....		5,140,200
Community corrections comprehensive plans and services.....		13,958,000
Community corrections residential services.....		18,075,500
Community corrections public education and training .....		50,000
Felony drunk driver jail reduction and community treatment program .....		1,740,100
Community re-entry centers .....		2,019,600
Regional jail program .....		100
TOTAL.....	\$	92,562,700

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

Sec. 203. As used in this act:

(a) "Administrative segregation" means confinement for maintenance of order or discipline to a cell or room apart from accommodations provided for inmates who are participating in programs of the facility.

(b) "Cost per prisoner" means the sum total of the funds appropriated under part 1 for the following, divided by the projected prisoner population in fiscal year 2010-2011:

- (i) Northern and southern region correctional facilities.
  - (ii) Northern and southern region administration and support.
  - (iii) Northern and southern region clinical complexes.
  - (iv) Prisoner health care services.
  - (v) Health care administration.
  - (vi) Vaccination program.
  - (vii) Prison food service and federal school lunch program.
  - (viii) Transportation.
  - (ix) Inmate legal services.
  - (x) Correctional facilities administration.
  - (xi) Central records.
  - (xii) DOJ psychiatric plan.
  - (xiii) Worker's compensation.
  - (xiv) New custody staff training.
  - (xv) Prison store operations.
  - (xvi) Education services and federal education grants.
  - (xvii) Education program.
- (c) "DAG" means the United States department of agriculture.
- (d) "DAG-FNS" means the DAG food and nutrition service.
- (e) "DED" means the United States department of education.
- (f) "DED-OESE" means the DED office of elementary and secondary education.
- (g) "DED-OSERS" means the DED office of special education and rehabilitative services.
- (h) "DED-OVAE" means the DED office of vocational and adult education.
- (i) "Department" or "MDOC" means the Michigan department of corrections.

- (j) “DOJ” means the United States department of justice.
- (k) “DOJ-BOP” means the DOJ bureau of prisons.
- (l) “DOJ-OJP” means the DOJ office of justice programs.
- (m) “Evidence-based practices” or “EBP” means a decision-making process that integrates the best available research, clinician expertise, and client characteristics.
- (n) “FTE” means full-time equated.
- (o) “GED” means general educational development certificate.
- (p) “Goal” means the intended or projected result of a comprehensive corrections plan or community corrections program to reduce repeat offending, criminogenic and high-risk behaviors, prison commitment rates, to reduce the length of stay in a jail, or to improve the utilization of a jail.
- (q) “GPS” means global positioning system.
- (r) “HIV” means human immunodeficiency virus.
- (s) “IDG” means interdepartmental grant.
- (t) “IDT” means intradepartmental transfer.
- (u) “Jail” means a facility operated by a local unit of government for the physical detention and correction of persons charged with or convicted of criminal offenses.
- (v) “MDCH” means the Michigan department of community health.
- (w) “Medicaid benefit” means a benefit paid or payable under a program for medical assistance under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b.
- (x) “MDSP” means the Michigan department of state police.
- (y) “MPRI” means the Michigan prisoner reentry initiative.
- (z) “Objective risk and needs assessment” means an evaluation of an offender’s criminal history; the offender’s noncriminal history; and any other factors relevant to the risk the offender would present to the public safety, including, but not limited to, having demonstrated a pattern of violent behavior, and a criminal record that indicates a pattern of violent offenses.
- (aa) “Offender eligibility criteria” means particular criminal violations, state felony sentencing guidelines descriptors, and offender characteristics developed by advisory boards and approved by local units of government that identify the offenders suitable for community corrections programs funded through the office of community corrections.
- (bb) “Offender success” means that an offender has done all of the following:
  - (i) Regularly reported to his or her assigned field agent.
  - (ii) Is participating in or has successfully completed all required substance abuse, mental health, sex offender, or other treatment as approved by the field agent.
  - (iii) Not sent or returned to prison for the conviction of a new crime or the revocation of probation or parole.
  - (iv) Not been sentenced to a jail term for a new criminal offense.
  - (v) Obtained employment, has enrolled or participated in a program of education or job training, or has investigated all bona fide employment opportunities.
  - (vi) Obtained housing.
- (cc) “Offender target population” means felons or misdemeanants who would likely be sentenced to imprisonment in a state correctional facility or jail, who would not likely increase the risk to the public safety based on an objective risk and needs assessment that indicates that the offender can be safely treated and supervised in the community.
- (dd) “Offender who would likely be sentenced to imprisonment” means either of the following:
  - (i) A felon or misdemeanant who receives a sentencing disposition that appears to be in place of incarceration in a state correctional facility or jail, according to historical local sentencing patterns.
  - (ii) A currently incarcerated felon or misdemeanant who is granted early release from incarceration to a community corrections program or who is granted early release from incarceration as a result of a community corrections program.
- (ee) “Programmatic success” means that the department program or initiative has ensured that the offender has accomplished all of the following:
  - (i) Obtained employment, has enrolled or participated in a program of education or job training, or has investigated all bona fide employment opportunities.
  - (ii) Obtained housing.
  - (iii) Obtained a state identification card.

(ff) "Recidivism" means any of the following:

(i) The arrest and conviction of a supervised individual for a new offense while under community supervision.

(ii) The adjudication of a supervised individual for a violation of the conditions of supervision while under community supervision.

(iii) A sanction resulting from a violation of terms of supervision that results in a return to prison without being adjudicated.

(gg) "RSAT" means residential substance abuse treatment.

(hh) "Serious emotional disturbance" means that term as defined in section 100d(2) of the mental health code, 1974 PA 328, MCL 330.1100d.

(ii) "Serious mental illness" means that term as defined in section 100d(3) of the mental health code, 1974 PA 328, MCL 330.1100d.

(jj) "SSA" means the United States social security administration.

(kk) "SSA-SSI" means SSA supplemental security income.

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

Sec. 204a. (1) The department shall collaborate with the civil service commission and the department of civil service to review the compensation rates for health care professionals who provide direct health care services to prisoners within the corrections system, including, but not limited to, doctors, all nursing professionals, pharmacists, pharmacy technicians, and psychologists. The review shall include health care professionals employed by the state as well as those employed through state contractors. These rates shall be compared to available data on compensation rates for comparable medical professionals in the private sectors who provide services to the general public to estimate any disparity in compensation.

(2) Following the review, the department shall make recommendations on changes needed to the state compensation plan for health care professional positions and to department contracts with health care providers so that compensation levels are sufficient to ensure that needed health care professional positions with vacancies are filled, that the department experiences adequate retention levels for these positions, and that necessary health care services are delivered in a timely manner to the prisoner population. A report outlining these recommendations shall be submitted to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget office by May 1, 2011.

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

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

Sec. 206. The department shall not engage in intimidation or take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 207. At least 90 days before beginning any effort to privatize, except for the current effort to privatize and contract for prisoner mental health services that is necessitated by the critical need for prisoner mental health treatment staff, the department shall submit a complete project plan to the appropriate senate and house 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 appropriations subcommittees and the senate and house fiscal agencies within 30 months. In the case of the current effort to privatize and contract for prisoner mental health services, the department shall submit a complete project plan to the appropriate senate and house appropriations committee chairs and appropriate senate and house appropriations subcommittee chairs as well as the senate and house fiscal agencies and state budget office 10 days prior to beginning the effort.

Sec. 207a. (1) Before privatizing any services or activities currently provided by state employees in the department, except for the privatization of prisoner mental health services that is necessitated by a critical shortage of mental health professional staff, the department shall submit to the senate and house appropriations committees a preprivatization cost-benefit analysis. This analysis shall utilize accurate, reliable, and objective data. Included in this analysis shall be a comparative estimate of the costs that will be incurred by this state over the life of the contract if 1 or both of the following occur:

(a) The service or activity continues to be provided by state employees.

(b) The service or activity is privatized. The costs of privatizing these services shall include the costs of all necessary monitoring and oversight of the private entity by this state.

(2) The department shall not commence any efforts to privatize the services or activities currently provided by state employees under part 1, except for prisoner mental health services, until the cost-benefit analysis prescribed by subsection (1) has been sent to both the senate and house appropriations committees 14 days prior to the efforts to privatize, and proves a cost savings equivalent to the savings specified in civil service rules for disbursement for personal services outside the civil service. Before awarding a contract for the provision of prisoner mental health treatment services, a cost-benefit analysis shall be completed as specified in subsection (1) and submitted to the appropriate senate and house appropriations committee chairs and appropriate senate and house appropriations subcommittee chairs as well as the senate and house fiscal agencies and state budget office not less than 7 days prior to awarding a contract.

(3) In all cases in which a service or activity is privatized, including the provision of prisoner mental health services, the private entity shall be adequately bonded, so as not to expose the state to any potential future liability or legal causes of action.

(4) A private contractor with a contract with this state that expends state or federal tax dollars shall have all records pertinent to state contracts, including all records detailing compliance with section 209, be subject to disclosure to the department or the department of management and budget.

(5) State employees shall be given the opportunity to bid on contracts that privatize services that are or were provided by state employees. If the contract is awarded to any state employee, he or she ceases being an employee of the state.

Sec. 208. The department shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site. There shall be at least 1 separate and distinct electronic file for each section that includes a reporting requirement.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if comparable quality American goods or services, or both, that do not cost more than 5% greater than foreign goods or services are available. Preference shall be given to produce, goods or services, or both, grown, processed, manufactured, or provided by Michigan businesses if they are of comparable quality and do not cost more than 5% greater than non-Michigan manufactured or provided goods or services. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 210. (1) Individuals seeking employment with the department shall submit to a controlled substance test administered by the department under civil service rules and regulations and applicable collective bargaining agreements.

(2) The department shall deny employment to individuals seeking employment with the department who violate subsection (1) or who submit to testing under subsection (1) but test positive for the illicit use of a controlled substance.

Sec. 211. (1) The department may charge fees and collect revenues in excess of appropriations in part 1 not to exceed the cost of offender services and programming, employee meals, parolee loans, academic/vocational services, custody escorts, compassionate visits, and union steward activities. The revenues and fees collected are appropriated for all expenses associated with these services and activities.

(2) If a parolee or probationer has been ordered to pay restitution, the department shall ensure that payment is a condition of his or her community supervision. Restitution payments shall be made as provided in section 22 of chapter XV of the code of criminal procedure, 1927 PA 175, MCL 775.22. The department shall collect not more than 50% of all money collected from parolees and probationers for payments other than victim payments, as that term is defined in section 22 of chapter XV of the code of criminal procedure, 1927 PA 175, MCL 775.22.

Sec. 212. (1) On a quarterly basis, each executive branch department and agency receiving appropriations in part 1 shall report on the number of full-time equated positions in pay status by civil service classification to the senate and house appropriations subcommittees on corrections and the senate and house fiscal agencies.

(2) From the funds appropriated in part 1, each executive branch department and agency shall develop, post, and maintain on a user-friendly and publicly accessible Internet site all expenditures made by the departments and agencies within a fiscal year. The posting shall include the purpose for which each expenditure is made. Funds appropriated in part 1 from the federal American recovery and reinvestment act of 2009, Public Law 111-5, shall also be included on a publicly accessible website maintained by the Michigan economic recovery office. Departments and agencies shall not provide financial information on their websites under this section if doing so would violate a federal or state law, rule, regulation, or guideline that establishes privacy or security standards applicable to that section.

Sec. 213. By February 15, 2011, the department shall provide the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director with a report detailing non-general fund/general purpose sources of revenue, including, but not limited to, federal revenues, state restricted revenues, local and private revenues, offender reimbursements and other payments, revolving funds, and 1-time sources of revenue, whether or not those revenues were appropriated. The report shall include statements detailing for each account the total amount of revenue received during fiscal year 2009-2010, the amount by which the revenue exceeded any applicable appropriated fund source, the amount spent during fiscal year 2009-2010, the account balance at the close of fiscal year 2009-2010, and the projected revenues and expenditures for fiscal year 2010-2011.

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

Sec. 215. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support department of corrections technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 216. (1) Due to the current budgetary problems of this state, out-of-state travel for the fiscal year ending September 30, 2011 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

(2) Not later than January 1, 2011, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house standing committees on appropriations, the senate and house fiscal agencies, and the state budget director. The report shall include the following information:

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Sec. 217. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in deprived and depressed communities

for services, supplies, or both. The director of the department shall strongly encourage certified firms with which the department contracts to provide services or supplies, or both, in deprived and depressed communities to help parolees or probationers progress to success by hiring, participating with MPRI training programs, or assisting with other community involvement opportunities.

Sec. 219. Any contract for prisoner telephone services entered into after the effective date of this act shall include a condition that fee schedules for prisoner telephone calls, including rates and any surcharges other than those necessary to meet special equipment costs, be the same as fee schedules for calls placed from outside of correctional facilities.

Sec. 222. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes. If outside counsel is utilized, the department shall provide a detailed report to the legislature specifying expenditures incurred.

Sec. 223. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$10,000,000.00 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 \$2,000,000.00 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 \$2,000,000.00 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.

Sec. 224. By March 1, 2011, the department shall provide a litigation report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. The report shall identify all lawsuits adjudicated through the trial court phase in which the department or an employee acting on behalf of the department was a defendant and in which trial court proceedings resulted in a decision of \$250,000.00 or more against the department.

Sec. 225. (1) The department shall make every effort to place employees displaced by any reductions in force within other positions in the department.

(2) It is the intent of the legislature that all employees displaced by any reductions in force who are not placed within other positions in the department be given priority in state programs for job retraining or education, such as the no worker left behind program.

Sec. 230. (1) From the funds appropriated in part 1, the department shall complete the study required by section 230 of 2008 PA 245. The study shall cover at least 1 county jail in each of the department's 3 administrative regions within the state and at a minimum shall be based on a representative random sample of county jail inmates. To the extent that such information would not conflict with state law on confidentiality for inmates included in the study, at a minimum, the study shall be sufficient to provide all of the information required by subsection (2). In the process of study design, development, and implementation, the department shall assure involvement of and consultation from counties, sheriffs, prosecutors, victims, and consumer, family, advocacy, provider, and professional groups concerned with mental health and justice issues. The methodological basis for the study shall include all of the following:

- (a) Diagnostic clinical interviews with all of the inmates in the study.
- (b) Reviews of the criminal history records of all of the inmates in the study.
- (c) Reviews of the medical and mental health records of all of the inmates in the study, as available.

(2) By September 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the results and findings of the study, including, at a minimum, information on all of the following, to the extent that the information does not conflict with state law on confidentiality for the inmates included in the study:

- (a) Study methodology, including information on the sample size and counties sampled.

(b) The proportion of county jail inmates with a primary diagnosis of mental illness, the proportion of inmates with a primary diagnosis of addiction disorder, and the proportion of inmates with a dual diagnosis of mental illness and addiction disorder.

(c) For each category of inmates listed in subdivision (b), all of the following information:

(i) The proportion considered to currently require treatment and the percentage in need of treatment who are currently receiving it. Information on inmates currently receiving treatment shall identify whether the inmates are receiving inpatient, residential, or outpatient treatment. Treatment information on inmates with a dual diagnosis shall identify whether inmates are receiving mental health inpatient, mental health residential, mental health outpatient, substance abuse residential, or substance abuse outpatient treatment.

(ii) Data indicating how many inmates previously had been hospitalized in a state or private psychiatric hospital for persons with mental illness.

(iii) Data indicating whether and with what frequency inmates previously had been incarcerated in a jail or committed to the department of corrections.

(iv) Data indicating whether inmates previously had received services managed by a community mental health program or substance abuse coordinating agency.

Sec. 232. By April 1, 2011, the department shall report to the senate and house of representatives appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director with a listing of Michigan vendors whose contracts were canceled or reduced in favor of single-source contracts from vendors based outside of Michigan. The report shall provide information for fiscal years 2008-2009 and 2009-2010 and shall include pertinent contract amounts.

Sec. 235. It is the intent of the legislature that the department reduce expenditures using the following strategies:

(a) Following the recommendations outlined in audit report 471-0130-08 of June 2009 issued by the Michigan office of the auditor general, which found \$7,534,039.00 in known savings that would have been achieved through cost-neutral operation of the bureau of correctional industries, as follows:

(i) Finding 1 indicates that the bureau of correctional industries has consistently failed to maintain profitable or cost-neutral operations.

(ii) Finding 2 indicates that the bureau of correctional industries had not developed or implemented a comprehensive business plan.

(iii) Finding 3 indicates that the bureau of correctional industries did not efficiently schedule and utilize its trucks and drivers for delivery of products and services.

(iv) Finding 4 indicates that the bureau of correctional industries had not established comprehensive policies and procedures for setting prices and discounts for products and services.

(b) Continuing the supply chain transformation (SCT) with the new fiscal year beginning October 1, 2010. The SCT shall address all goods and services delivered into the department, with special focus in the following areas: food service, offender transport, warehousing, prisoner stores, laundries, textiles, transportation, reverse logistics, Michigan state industries manufacturing and related material, and capital and service purchase contracts under development or due to expire. The department shall continually detail its supply chain strategy and implementation plan including tasks, timing, resources, costs, and benefits to be achieved. The department shall provide quarterly cost and benefit savings report information. The department shall contract with a world-class supply chain external resource with the following capabilities: demonstrated success working in a department of corrections environment in the targeted supply chain areas of focus; demonstrated expertise in defining, developing, and implementing cross-functional infrastructures; continuous quality improvement teams; stakeholder and communications outreach programs; six sigma/lean tools and templates; hands-on supply chain; continuous quality improvement and six sigma tool training; and positive working relations and measurable, documented client satisfaction results.

(c) Following the recommendations outlined in audit report 471-0620-07L of October 2008 issued by the Michigan office of the auditor general, which found \$14,800,000.00 in estimated savings that could be achieved through reforms of the department's staffing and purchasing policies, as follows:

(i) Finding 1 indicates that the department needs to improve its administration of custody officer staffing.

(ii) Finding 2 indicates that the department needs to pursue additional cost-saving measures through future contract negotiations and review of its organizational structure.

(iii) Finding 3 indicates that the department did not have a formal process in place to negotiate prices for goods and services purchased from Michigan state industries.

(d) Following the recommendations outlined in audit report 471-0623-07L of December 2008 issued by the Michigan office of the auditor general, which found significant but indeterminate savings could be achieved through reforms of prisoner transportation policies, specifically, finding 4 indicates that the department should continue to seek the cooperation of the state court administrative office and its medical service providers to fully use existing technology to conduct videoconferencing for court and medical appointments.

Sec. 236. It is the intent of the legislature that from the revenue resulting from the sale of the former Scott correctional facility sufficient funds shall be appropriated to the department to reimburse Michigan state industries for costs related to the construction of the Industries Building, which was operated by Michigan state industries on the site of the Scott correctional facility.

## **EXECUTIVE**

Sec. 301. (1) For 3 years after a felony offender is released from the department's jurisdiction, the department shall maintain the offender's file on the offender tracking information system and make it publicly accessible in the same manner as the file of the current offender. However, the department shall immediately remove the offender's file from the offender tracking information system upon determination that the offender was wrongfully convicted and the offender's file is not otherwise required to be maintained on the offender tracking information system.

(2) Information removed from the offender tracking information system due to the expiration of 3 years following release of an offender from the department's jurisdiction shall be retained by the department and maintained in a password-protected archive. Effective October 1, 2009, information in the archive shall be made available upon payment of a fee as determined by the department. Revenue collected under this section is appropriated for the costs of the offender tracking information system, and any revenue collected in excess of the costs of maintaining the offender tracking information system is appropriated for information technology costs. The department shall report on March 1, 2011 to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the fees charged and revenue collected under this section.

Sec. 302. The department shall provide a report to the members of the senate and house appropriations subcommittees on corrections and community health, the senate and house fiscal agencies, MDCH, and the state budget director by May 1, 2011 reviewing actions taken to implement the recommendations of the mental health study required under section 302 of 2007 PA 124 with which it agrees and an explanation of any disagreements with recommendations. It is the intent of the legislature to review the department's implementation plan and, in coordination with the department, to identify funds with which to implement the plan, as appropriate.

Sec. 303. It is the intent of the legislature that the quantity of database systems in use by the department be optimal for efficient data usage and communications. By March 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the status of the plan to implement secure, encrypted, Internet-based database systems that can electronically communicate with each other and with other law-enforcement-related databases by September 30, 2011.

Sec. 304. The director of the department shall maintain a staff savings initiative program to invite employees to submit suggestions for saving costs for the department. The department shall report semiannually to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the suggestions submitted under this section, the implementation plan for those suggestions with which the department agrees, and an explanation of any disagreements with suggestions.

Sec. 305. By March 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the number of prisoners who committed suicide during the previous calendar year. To the extent permitted by law, the report shall include all of the following information:

- (a) The prisoner's age, offense, sentence, and admission date.
- (b) Each prisoner's facility and unit.
- (c) A description of the circumstances of the suicide.
- (d) The date of the suicide.
- (e) Whether the suicide occurred in a housing unit, a segregation unit, a mental health unit, or elsewhere on the grounds of the facility.
- (f) Whether the prisoner had been denied parole and the date of any denial.
- (g) Whether the prisoner had received a mental health evaluation or assessment.
- (h) Details on the department's responses to each suicide, including immediate on-site responses and subsequent internal investigations.
- (i) A description of any monitoring and psychiatric interventions that had been undertaken prior to the prisoner's suicide, including any changes in placement or mental health care.
- (j) Whether the prisoner had previously attempted suicide.

## **PLANNING AND COMMUNITY SUPPORT**

Sec. 401. The department shall submit 3-year and 5-year prison population projection updates concurrent with submission of the executive budget to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. The report shall include explanations of the methodology and assumptions used in developing the projection updates.

Sec. 402. It is the intent of the legislature that the funds appropriated in part 1 for prisoner reintegration programs be expended for the purpose of reducing victimization by reducing repeat offending through the following prisoner reintegration programming:

- (a) The provision of employment or employment services and job training.
- (b) The provision of housing assistance.
- (c) Referral to mental health services.
- (d) Referral to substance abuse services.
- (e) Referral to public health services.
- (f) Referral to education.
- (g) Referral to any other services necessary for successful reintegration.

Sec. 403. By March 1, 2011, the department shall provide a report on MPRI expenditures and allocations to the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. At a minimum, the report shall include information on both of the following:

- (a) Details on prior-year expenditures, including amounts spent on each project funded, itemized by service provided and service provider.
- (b) Allocations and projected expenditures for each project funded and for each project to be funded, itemized by service to be provided and service provider.

Sec. 403a. (1) In collaboration with a technical committee composed of representatives from the department, designees of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the justice center of the council of state governments, the department shall develop a performance-based dashboard tracking and reporting system that establishes key indicators of the success and failure of offenders. Indicators shall reflect the status of and trends in key program elements, behavior improvements on the part of offenders, and whether targeted goals are being met.

(2) By April 1, 2011, the department shall report dashboard data to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director.

Sec. 404. (1) The department shall screen and assess each prisoner for alcohol and other drug involvement to determine the need for further treatment. The assessment process shall be designed to identify the severity of alcohol and other drug addiction and determine the treatment plan, if appropriate.

(2) The department shall provide substance abuse treatment to prisoners with priority given to those prisoners who are most in need of treatment and who can best benefit from program intervention based on the screening and assessment provided under subsection (1).

Sec. 405. (1) In expending residential substance abuse treatment services funds appropriated under this act, the department shall ensure to the maximum extent possible that residential substance abuse treatment services are available statewide.

(2) Of the funds appropriated in part 1 for substance abuse testing and treatment services, at least \$5,000,000.00 shall be utilized to operate residential substance abuse treatment programs around the state.

(3) By March 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the allocation, distribution, and expenditure of all funds appropriated by the substance abuse testing and treatment line item during fiscal year 2009-2010 and projected for fiscal year 2010-2011. The report shall include, but not be limited to, an explanation of an anticipated year-end balance, the number of participants in substance abuse programs, and the number of offenders on waiting lists for residential substance abuse programs. Information required under this subsection shall, where possible, be separated by MDOC administrative region and by offender type, including, but not limited to, a distinction between prisoners, parolees, and probationers.

(4) By March 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on substance abuse testing and treatment program objectives, outcome measures, and results, including program impact on offender success and programmatic success as those terms are defined in section 203.

Sec. 405a. The department shall work cooperatively with MDCH and substance abuse coordinating agencies in referring offenders as appropriate to intensive substance abuse services, including residential services.

Sec. 407. (1) By June 30, 2011, the department shall place the 2010 statistical report on an Internet site. The statistical report shall include, but not be limited to, the information as provided in the 2004 statistical report.

(2) It is the intent of the legislature that starting with calendar year 2010, the statistical report be placed on an Internet site within 6 months after the end of each calendar year.

Sec. 408. The department shall measure the recidivism rates of offenders using at least a 3-year period following their release from prison.

Sec. 409. The office of community corrections shall provide and coordinate the delivery and implementation of services in communities to facilitate successful offender reintegration into the community. Programs and services to be offered shall include, but are not limited to, technical assistance for comprehensive corrections plan development, new program start-up funding, program funding for those programs delivering services for eligible offenders in geographic areas identified by the office of community corrections as having a shortage of available services, technical assistance, referral services for education, employment services, and substance abuse and family counseling.

Sec. 410. (1) The funds included in part 1 for community corrections comprehensive plans and services are to encourage the development through technical assistance grants, implementation, and operation of community corrections programs that enhance offender success and that also may serve as an alternative to incarceration in a state facility or jail. The comprehensive corrections plans shall include an explanation of how the public safety will be maintained, the goals for the local jurisdiction, offender target populations intended to be affected, offender eligibility criteria for purposes outlined in the plan, and how the plans will meet the following objectives, consistent with section 8(4) of the community corrections act, 1988 PA 511, MCL 791.408:

(a) Reduce admissions to prison of offenders who would likely be sentenced to imprisonment, including probation violators.

(b) Improve the appropriate utilization of jail facilities, the first priority of which is to open jail beds intended to house otherwise prison-bound felons, and the second priority being to appropriately utilize jail beds so that jail crowding does not occur.

(c) Open jail beds through the increase of pretrial release options.

(d) Reduce the readmission to prison of parole violators.

(e) Reduce the admission or readmission to prison of offenders, including probation violators and parole violators, for substance abuse violations.

(f) Contribute to offender success, as that term is defined in section 203.

(2) The award of community corrections comprehensive plans and residential services funds shall be based on criteria that include, but are not limited to, the prison commitment rate by category of offenders, trends in prison commitment rates and jail utilization, historical trends in community corrections program capacity and program utilization, and the projected impact and outcome of annual policies and procedures of programs on offender success, prison commitment rates, and jail utilization.

(3) Funds awarded for residential services in part 1 shall provide for a per diem reimbursement of not more than \$47.50 for nonaccredited facilities, or of not more than \$48.50 for facilities that have been accredited by the American corrections association or a similar organization as approved by the department.

Sec. 411. The comprehensive corrections plans shall also include, where appropriate, descriptive information on the full range of sanctions and services that are available and utilized within the local jurisdiction and an explanation of how jail beds, residential services, the special alternative incarceration program, probation detention centers, the electronic monitoring program for probationers, and treatment and rehabilitative services will be utilized to support the objectives and priorities of the comprehensive corrections plans and the purposes and priorities of section 8(4) of the community corrections act, 1988 PA 511, MCL 791.408, that contribute to the success of offenders. The plans shall also include, where appropriate, provisions that detail how the local communities plan to respond to sentencing guidelines found in chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, and use the county jail reimbursement program under section 414. The state community corrections board shall encourage local community corrections advisory boards to include in their comprehensive corrections plans strategies to collaborate with local alcohol and drug treatment agencies of the MDCH for the provision of alcohol and drug screening, assessment, case management planning, and delivery of treatment to alcohol- and drug-involved offenders.

Sec. 412. (1) As part of the March biannual report specified in section 12(2) of the community corrections act, 1988 PA 511, MCL 791.412, that requires an analysis of the impact of that act on prison admissions and jail utilization, the department shall submit to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director the following information for each county and counties consolidated for comprehensive corrections plans:

(a) Approved technical assistance grants and comprehensive corrections plans including each program and level of funding, the utilization level of each program, and profile information of enrolled offenders.

(b) If federal funds are made available, the number of participants funded, the number served, the number successfully completing the program, and a summary of the program activity.

(c) Status of the community corrections information system and the jail population information system.

(d) Data on residential services, including participant data, participant sentencing guideline scores, program expenditures, average length of stay, and bed utilization data.

(e) Offender disposition data by sentencing guideline range, by disposition type, by prior record variable score, by number and percent statewide and by county, current year, and comparisons to the previous 3 years.

(f) Data on the use of funding made available under the felony drunk driver jail reduction and community treatment program.

(2) The report required under subsection (1) shall include the total funding allocated, program expenditures, required program data, and year-to-date totals.

Sec. 413. (1) The department shall identify and coordinate information regarding the availability of and the demand for community corrections programs, jail-based community corrections programs, jail-based probation violation sanctions, and all state-required jail data.

(2) The department is responsible for the collection, analysis, and reporting of all state-required jail data.

(3) As a prerequisite to participation in the programs and services offered through the department, counties shall provide necessary jail data to the department.

Sec. 414. (1) The department shall administer a county jail reimbursement program from the funds appropriated in part 1 for the purpose of reimbursing counties for housing in jails certain felons who otherwise would have been sentenced to prison.

(2) Counties shall be given the option of choosing from 1 of 2 eligibility and reimbursement standards as described in this subsection for the county jail reimbursement program. The department shall submit to each county a county jail reimbursement application form by October 1, 2010 that explains the 2 eligibility and reimbursement standards and shall request that the county submit a decision to the department regarding the standard it elects to utilize for the operation of the county's program. Counties shall submit their decision to the department by October 15, 2010, and shall not be allowed to revise this decision after submission. A county shall not be reimbursed for any services provided after October 15, 2010 unless that county has submitted a decision on the eligibility and reimbursement standards to the department. The department shall offer counties the option to choose between the eligibility and reimbursement standards outlined below:

(a) The standards outlined in subsections (2) and (3) of section 414 of 2008 PA 245 as outlined below:

(i) The county jail reimbursement program shall reimburse counties for housing and custody of convicted felons if the conviction was for a crime committed on or after January 1, 1999 and 1 of the following applies:

(A) The felon's sentencing guidelines recommended range upper limit is more than 18 months, the felon's sentencing guidelines recommended range lower limit is 12 months or less, the felon's prior record variable score is 35 or more points, and the felon's sentence is not for commission of a crime in crime class G or crime class H under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69.

(B) The felon's minimum sentencing guidelines range minimum is more than 12 months under the sentencing guidelines described in sub-subparagraph (A).

(ii) State reimbursement under this subdivision for prisoner housing and custody expenses per diverted offender shall be \$43.50 per diem for up to a 1-year total.

(b) The standards outlined and defined in subsections (2), (3), and (6) of section 301 of 2010 PA 89 as outlined below:

(i) The county jail reimbursement program shall reimburse counties for convicted felons in the custody of the sheriff if the conviction was for a crime committed on or after January 1, 1999 and 1 of the following applies:

(A) The felon's sentencing guidelines recommended range upper limit is more than 18 months, the felon's sentencing guidelines recommended range lower limit is 12 months or less, the felon's prior record variable score is 35 or more points, and the felon's sentence is not for commission of a crime in crime class G or crime class H or a nonperson crime in crime class F under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69.

(B) The felon's minimum sentencing guidelines range minimum is more than 12 months under the sentencing guidelines described in sub-subparagraph (A).

(C) The felon was sentenced to jail for a felony committed while he or she was on parole and under the jurisdiction of the parole board and for which the sentencing guidelines recommended range for the minimum sentence has an upper limit of more than 18 months.

(ii) State reimbursement under this subdivision shall be \$60.00 per diem per diverted offender for offenders with a presumptive prison guideline score, \$50.00 per diem per diverted offender for offenders with a straddle cell guideline for a group 1 crime, and \$35.00 per diem per diverted offender for offenders with a straddle cell guideline for a group 2 crime. Reimbursements shall be paid for sentences up to a 1-year total.

(iii) As used in this subdivision:

(A) "Group 1 crime" means a crime in 1 or more of the following offense categories: arson, assault, assaultive other, burglary, criminal sexual conduct, homicide or resulting in death, other sex offenses, robbery, and weapon possession as determined by the department of corrections based on specific crimes for which counties received reimbursement under the county jail reimbursement program in fiscal year 2007 and fiscal year 2008, and listed in the county jail reimbursement program document titled "FY 2007 and FY 2008 Group One Crimes Reimbursed", dated March 31, 2009.

(B) "Group 2 crime" means a crime that is not a group 1 crime, including larceny, fraud, forgery, embezzlement, motor vehicle, malicious destruction of property, controlled substance offense, felony drunk driving, and other nonassaultive offenses.

(C) "In the custody of the sheriff" means that the convicted felon has been sentenced to the county jail and is either housed in the county jail or has been released from jail and is being monitored through the use of the sheriff's electronic monitoring system.

(3) Except as otherwise provided in subsection (4), county jail reimbursement program expenditures shall not exceed the amount appropriated in part 1 for the county jail reimbursement program. Payments to counties under the county jail reimbursement program shall be made in the order in which properly documented requests for reimbursements are received. A request shall be considered to be properly documented if it meets MDOC requirements for documentation. By October 15, 2010, the department shall distribute the documentation requirements to all counties.

(4) By May 1, 2011, the subcommittee chair of the chamber that sponsored the current fiscal year budget act for the department shall convene a reimbursement committee consisting of the chairs of the senate and house appropriations subcommittees on corrections, 1 representative from the department of corrections, the state budget office, the Michigan association of counties, and the Michigan sheriffs association for the purpose of reviewing payment of all eligible and properly documented reimbursement requests that comply with the reimbursement criteria in subsection (2)(b) for counties that elected that eligibility and reimbursement standard. If the committee determines that the current appropriation will not cover all eligible reimbursement costs, the state budget office shall request a legislative transfer from other appropriation line items in the department budget to the county jail reimbursement program line item to cover the additional costs.

Sec. 416. (1) Funds included in part 1 for the felony drunk driver jail reduction and community treatment program are appropriated for and may be expended for any of the following purposes:

(a) To increase availability of treatment options to reduce drunk driving and drunk driving-related deaths by addressing the alcohol addiction of felony drunk drivers who otherwise likely would be sentenced to jail or a combination of jail and other sanctions.

(b) To divert from jail sentences or to reduce the length of jail sentences for felony drunk drivers who otherwise would have been sentenced to jail and whose recommended minimum sentence ranges under sentencing guidelines established under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, have upper limits of 18 months or less or the lower limit of the sentencing range is 1 year or less and the upper limit of the range is more than 18 months and the prior record variable is less than 35 points, through funding programs that may be used in lieu of incarceration and that increase the likelihood of rehabilitation.

(c) To provide a policy and funding framework to make additional jail space available for housing convicted felons whose recommended minimum sentence ranges under sentencing guidelines established under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, have lower limits of 12 months or less and who likely otherwise would be sentenced to prison, with the aim of enabling counties to meet or exceed amounts received through the county jail reimbursement program during fiscal year 2002-2003 and reducing the numbers of felons sentenced to prison.

(2) Expenditure of funds included in part 1 for the felony drunk driver jail reduction and community treatment program shall be by grant awards consistent with standards developed by a committee of the state community corrections advisory board. The chairperson of the committee shall be the board member representing county sheriffs. Remaining members of the committee shall be appointed by the chairperson of the board.

(3) In developing annual standards, the committee shall consult with interested agencies and associations. Standards developed by the committee shall include application criteria, performance objectives and measures, funding allocations, and allowable uses of the funds, consistent with the purposes specified in this section.

(4) Allowable uses of the funds shall include reimbursing counties for transportation, treatment costs, and housing felony drunk drivers during a period of assessment for treatment and case planning. Reimbursements for housing during the assessment process shall be at the rate of \$43.50 per day per offender, up to a maximum of 5 days per offender.

(5) The standards developed by the committee shall assign each county a maximum funding allocation based on the amount the county received under the county jail reimbursement program in fiscal year 2001-2002 for housing felony drunk drivers whose recommended minimum sentence ranges under the sentencing guidelines described in subsection (1)(c) had upper limits of 18 months or less.

(6) Awards of funding under this section shall be provided consistent with the local comprehensive corrections plans developed under the community corrections act, 1988 PA 511, MCL 791.401 to 791.414. Funds awarded under this section may be used in conjunction with funds awarded under grant programs established under that act. Due to the need for felony drunk drivers to be transitioned from county jails to community treatment services, it is the intent of the legislature that local units of government utilize funds received under this section to support county sheriff departments.

(7) As used in this section, "felony drunk driver" means a felon convicted of operating a motor vehicle under the influence of intoxicating liquor or a controlled substance, or both, third or subsequent offense, under section 625(9)(c) of the Michigan vehicle code, 1949 PA 300, MCL 257.625, or its predecessor statute, punishable as a felony.

Sec. 417. (1) By March 1, 2011, the department shall report to the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on each of the following programs from the previous fiscal year:

(a) The county jail reimbursement program.

(b) The felony drunk driver jail reduction and community treatment program.

(c) Any new initiatives to control prison population growth funded or proposed to be funded under part 1.

(2) For each program listed under subsection (1), the report shall include information on each of the following:

(a) Program objectives and outcome measures, including, but not limited to, the number of offenders who successfully completed the program, and the number of offenders who successfully remained in the community during the 3 years following termination from the program.

(b) Expenditures by location.

(c) The impact on jail utilization.

(d) The impact on prison admissions.

(e) Other information relevant to an evaluation of the program.

Sec. 418. (1) The department shall collaborate with the state court administrative office on facilitating changes to Michigan court rules that would require the court to collect at the time of sentencing the state operator's license, state identification card, or other documentation used to establish the identity of the individual to be admitted to the department. The department shall maintain those documents in the prisoner's personal file.

(2) The department shall collaborate with the Michigan department of state to ensure that an achievable list of documents necessary to obtain a state operator's license or state identification card upon parole or release is developed and presented to the prisoner so that application for identification can begin prior to a prisoner's discharge or parole hearing. The process for prisoners to acquire this documentation shall be part of the department's operating procedure.

(3) The department shall cooperate with MDCH to create and maintain a process by which prisoners can obtain their Michigan birth certificates if necessary. The department shall describe a process for obtaining birth certificates from other states, and in situations where the prisoner's effort fails, the department shall assist in obtaining the birth certificate.

(4) By March 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the legislative corrections ombudsman, and the state budget director on the plan for implementing all necessary processes and policy changes in order to ensure compliance with the requirements of this section.

Sec. 419. (1) The department shall provide weekly electronic mail reports to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on prisoner, parolee, and probationer populations by facility, and prison capacities.

(2) The department shall provide monthly electronic mail reports to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. The reports shall include information on end-of-month prisoner populations in county jails, the net operating capacity according to the most recent certification report, identified by date, and end-of-month data, year-to-date data, and comparisons to the prior year for the following:

(a) Community residential program populations, separated by centers and electronic monitoring.

(b) Parole populations.

(c) Probation populations, with identification of the number in special alternative incarceration.

(d) Prison and camp populations, with separate identification of the number in special alternative incarceration and the number of lifers.

(e) Parole board activity, including the numbers and percentages of parole grants and parole denials.

(f) Prisoner exits, identifying transfers to community placement, paroles from prisons and camps, paroles from community placement, total movements to parole, prison intake, prisoner deaths, prisoners discharging on the maximum sentence, and other prisoner exits.

(g) Prison intake and returns, including probation violators, new court commitments, violators with new sentences, escaper new sentences, total prison intake, returns from court with additional sentences, community placement returns, technical parole violator returns, and total returns to prison and camp.

Sec. 420. By March 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house judiciary committees, the senate and house fiscal agencies, and the state budget director on performance data and efforts to improve efficiencies relative to departmental staffing, health care services, food service, prisoner transportation, mental health care services, and pharmaceutical costs.

Sec. 421. Of the funds appropriated in part 1, \$100,000.00 is appropriated for the purpose of providing an IDG to the MDSP for the purpose of providing grants for training teams of law enforcement officers and mental health treatment providers. The teams shall be trained in effective and safe ways of assisting people with mental illness during law enforcement contacts and directing people with mental illness to treatment programs. Mental health awareness training shall be incorporated into continuing education for all law enforcement officers in the state.

Sec. 422. It is the intent of the legislature that MPRI programs from prisoner entry into the corrections system to reentry into the community and as measured by offender success and programmatic success as those terms are defined in section 203 shall be maintained as standard operating procedure in the department. In particular, services should be focused on moderate- to high-risk individuals. Special in-prison programming shall be directed to those prisoners who were paroled and have returned to prison and who will subsequently be eligible for parole again in the future. In addition, MPRI services provided to prisoners shall include basic computer skills training.

Sec. 424. (1) From the funds appropriated in part 1 for residential services, the department shall develop and implement, in collaboration with the judiciary and as approved by the state court administrative office, a demonstration project based on evidence-based practices related to judicial and case management interventions that have been proven to increase public safety for high-risk, high-need probationers as determined by a validated risk and need assessment instrument. As used in this section, "probationer" means a circuit court probationer serving a probation sentence for a crime.

(2) The demonstration project shall be implemented in 4 areas of the state identified jointly by the department and the state court administrative office. Preference shall be given to locations that are representative of areas with high rates of violent crimes as described in the council of state governments' justice center report on analyses of crime, community corrections, and sentencing policies in this state.

(3) The primary goal of the demonstration project is to reduce crime and revictimization by high-risk, high-need probationers. The secondary goal of the demonstration project is to reduce expenditures for long-term incarceration.

(4) The demonstration project may provide up to 6 months of residential services, and treatment methods, and interventions that are evidence-based, including, but not limited to, the following:

(a) Risk/needs assessment.

(b) Motivational techniques.

(c) Type, intensity, and duration of treatment based on each probationer's risk and needs and delivered consistent with evidence-based practices.

(5) The department shall implement the evidence-based practice of collaborative case management and utilize the services of the department and of local community corrections consistent with the local comprehensive corrections plan developed under the community corrections act, 1988 PA 511, MCL 791.401 to 791.414.

(6) The department shall assign a probation officer to the demonstration project to supervise a specialized caseload for high-risk, high-need probationers. All probation officers supervising a specialized caseload under this section shall receive substantial education and training on issues of substance abuse, mental health, and drug and alcohol testing.

(7) The probation officer shall work in cooperation with the local judiciary and the community corrections advisory board in a collaborative effort toward the goals of promoting probationer success and reducing crime and revictimization.

(8) The probation officer assigned to the demonstration project shall comply with supervision requirements established for the demonstration project by the field operations administration deputy director.

(9) The department shall identify and coordinate information for each local jurisdiction selected for the demonstration project regarding the rate of incarceration of high-risk, high-need probationers to ensure that appropriate probationers are targeted for the demonstration project.

(10) From the funds appropriated in part 1 for public education and training, the department shall collaborate with the local judiciary, community corrections advisory board, and service providers to develop and provide appropriate training for all local stakeholders involved in the demonstration project described in this section.

(11) From the funds provided to the local jurisdiction for the demonstration project, the department shall collaborate with the local judiciary and the community corrections advisory board to develop and implement an evaluation of the demonstration project that will show the impact of the project on the arrests, convictions, technical violations, and commitments to prison of the demonstration project participants. This evaluation shall be performed in accordance with department of corrections policy and procedure on evaluation design in cooperation with the office of research and planning.

(12) By May 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the status of the demonstration project prescribed under this section, including information on all of the following:

- (a) Demonstration project locations and participating courts.
- (b) The number of probationers participating in the pilot categorized by location and offense.
- (c) Evaluation status and methodology.
- (d) Preliminary results, if any.

Sec. 426. Of the money appropriated in part 1 for prisoner reintegration programs, \$500,000.00 shall be distributed to 1 or more Michigan-chartered 501(c)(3) nonprofit corporations to expand existing business models, or to create new business enterprises including capital equipment needs, that presently have established public utility asset recovery recycling programs. This nonprofit will hire new employees through the funding provided above and must include at least 45% returning citizens. The programs shall be administered by 1 or more Michigan-chartered corporations that are exempt from taxation under section 501(c)(3) of the internal revenue code, 26 USC 501(c)(3), and that have documented entrepreneurial social enterprise expertise in creating employment opportunities for parolees.

Sec. 429. It is the intent of the legislature that the department work with other state departments and agencies to implement the policy options provided to the state by the council of state governments in January 2009.

Sec. 430. The department shall ensure that each prisoner has the opportunity to meet with his or her transition team prior to release from prison. If applicable, community providers shall enter the prison to meet with the prisoner prior to release.

Sec. 431. The department shall ensure that prior to release from prison, each offender has possession of all of the following:

- (a) All documents necessary to obtain a state operator's license or state identification card.
- (b) A set of clothing that would be appropriate and suitable for wearing to an interview for employment.

Sec. 433. The department shall report quarterly on January 1, 2011, April 1, 2011, July 1, 2011, and September 30, 2011 to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the status of any contracts entered into under the June 2009 request for proposals for the re-entry initiative project for offenders with special needs. The report shall include information on all of the following:

- (a) The number of prisoners and participating parolees in each of the target population subgroups, including medically fragile, mentally ill, developmentally disabled, and youthful offenders.
- (b) Descriptions of the key services being provided to each subgroup under the contract or contracts.
- (c) Estimates of the average per-offender costs of services for each target population subgroup under each contract, compared to the average cost of prison incarceration for those populations.

Sec. 434. (1) It is the intent of the legislature that the department, in coordination with the department of energy, labor, and economic growth, Michigan state housing development authority, and local government officials, implement employment-related projects targeted toward at-risk young adults who are disconnected from school and employment, and probationers and parolees in high-crime neighborhoods where the adult incarceration rate is at least 45%.

(2) The department shall identify high-crime neighborhoods where the adult incarceration rate is at least 45% and in coordination with the department of human services and the superintendent of public instruction shall develop programs for recommendation to the legislature that offer academic, counseling, and social support to children of incarcerated parents.

## **OPERATIONS AND SUPPORT ADMINISTRATION**

Sec. 501. From the funds appropriated in part 1 for prosecutorial and detainer expenses, the department shall reimburse counties for housing and custody of parole violators and offenders being returned by the department from community placement who are available for return to institutional status and for prisoners who volunteer for placement in a county jail.

Sec. 502. Funds included in part 1 for the sheriffs' coordinating and training office are appropriated for and may be expended to defray costs of continuing education, certification, recertification, decertification, and training of local corrections officers, the personnel and administrative costs of the sheriffs' coordinating and training office, the local corrections officers advisory board, and the sheriffs' coordinating and training council under the local corrections officers training act, 2003 PA 125, MCL 791.531 to 791.546.

Sec. 503. Funds appropriated in part 1 for administrative hearings officers are appropriated as an interdepartmental grant to the department of energy, labor, and economic growth for the purpose of funding administrative hearings officers for adjudication of grievances pertaining to the department of corrections. The department shall not expend appropriations from part 1 to satisfy charges from the department of energy, labor, and economic growth for administrative hearings officers in excess of the amount expressly appropriated by this act for the administrative hearings officers unless funding is transferred into this line under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 504. Of the funds appropriated in part 1, \$50,000.00 is appropriated to provide an interdepartmental grant to the judiciary for use of the judicial data warehouse by department employees.

Sec. 505. (1) The department shall train all custody staff in effective and safe ways of handling prisoners with mental illness and referring prisoners to mental health treatment programs. Mental health awareness training shall be incorporated into the training of new custody staff.

(2) All staff having direct contact with prisoners and employed within correctional facilities shall attend at least 1 mental health awareness training session.

Sec. 507. Of the funds appropriated in part 1, \$1,000,000.00 is appropriated to provide an interdepartmental grant to the judiciary for operational expenses related to drug treatment courts.

Sec. 508. Of the funds appropriated in part 1, \$500,000.00 is appropriated to provide an interdepartmental grant to the legislative auditor general for oversight activities pertaining to the department of corrections.

Sec. 509. Of the funds appropriated in part 1, \$250,000.00 is appropriated to provide an interdepartmental grant to the legislative corrections ombudsman for oversight activities.

## **FIELD OPERATIONS ADMINISTRATION**

Sec. 601. (1) From the funds appropriated in part 1, the department shall conduct a statewide caseload audit of field agents. The audit shall address public protection issues and assess the ability of the field agents to complete their professional duties. The results of the audit shall be submitted to the senate and house appropriations subcommittees on corrections and the senate and house fiscal agencies, and the state budget office by March 1, 2011.

(2) It is the intent of the legislature that the department maintain a number of field agents sufficient to meet supervision and workload standards.

Sec. 602. (1) Of the amount appropriated in part 1 for field operations, a sufficient amount shall be allocated for the community service work program and shall be used for salaries and wages and fringe benefit costs of community service coordinators employed by the department to supervise offenders participating in work crew assignments. Funds shall also be used to cover motor transport division rates on state vehicles used to transport offenders to community service work project sites.

(2) The community service work program shall provide offenders with community service work of tangible benefit to a community while fulfilling court-ordered community service work sanctions and other postconviction obligations.

(3) As used in this section, "community service work" means work performed by an offender in an unpaid position with a nonprofit or tax-supported or government agency for a specified number of hours of work or service within a given time period.

Sec. 603. (1) All prisoners, probationers, and parolees involved with the electronic tether program shall reimburse the department for costs associated with their participation in the program. The department may require community service work reimbursement as a means of payment for those able-bodied individuals unable to pay for the costs of the equipment.

(2) Program participant contributions and local community tether program reimbursement for the electronic tether program appropriated in part 1 are related to program expenditures and may be used to offset expenditures for this purpose.

(3) Included in the appropriation in part 1 is adequate funding to implement the community tether program to be administered by the department. The community tether program is intended to provide sentencing judges and county sheriffs in coordination with local community corrections advisory boards access to the state's electronic tether program to reduce prison admissions and improve local jail utilization. The department shall determine the appropriate distribution of the tether units throughout the state based upon locally developed comprehensive corrections plans under the community corrections act, 1988 PA 511, MCL 791.401 to 791.414.

(4) For a fee determined by the department, the department shall provide counties with the tether equipment, replacement parts, administrative oversight of the equipment's operation, notification of violators, and periodic reports regarding county program participants. Counties are responsible for tether equipment installation and service. For an additional fee as determined by the department, the department shall provide staff to install and service the equipment. Counties are responsible for the coordination and apprehension of program violators.

(5) Any county with tether charges outstanding over 60 days shall be considered in violation of the community tether program agreement and lose access to the program.

Sec. 604. Community-placement prisoners and parolees shall reimburse the department for the total costs of the program. As an alternative method of payment, the department may develop a community service work schedule for those individuals unable to meet reimbursement requirements established by the department.

Sec. 606. It is the intent of the legislature that the department shall ensure that parolees and probationers may timely contact their parole or probation agents and maintain procedures that preclude any necessity for an offender to have access to an agent's home telephone number or other personal information pertaining to the agent.

Sec. 608. By March 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the use of electronic monitoring. At a minimum, the report shall include all of the following:

(a) Details on the failure rate of parolees for whom GPS tether is utilized, including the number and rate of parolee technical violations, including specifying failures due to committing a new crime that is uncharged but leads to parole termination, and the number and rate of parolee violators with new sentences.

(b) Information on the factors considered in determining whether an offender is placed on active GPS tether, passive GPS tether, radio frequency tether, or some combination of these or other types of electronic monitoring.

(c) Monthly data on the number of offenders on active GPS tether, passive GPS tether, radio frequency tether, and any other type of tether.

Sec. 609. By March 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the use of kiosk reporting stations. At a minimum, the report shall include all of the following:

(a) Factors considered in determining whether an offender is assigned to report at a kiosk.

(b) Information on the location, costs, safety features, and other features of kiosks used for offender reporting.

(c) Information on demonstration project outcome measures.

(d) An evaluation of the kiosk reporting demonstration project, including any need for improvement and an assessment of the potential for expanded use of kiosk reporting stations.

Sec. 611. The department shall prepare by March 1, 2011 individual reports for the community re-entry program, the electronic tether program, and the special alternative to incarceration program. The reports shall be submitted to the house and senate appropriations subcommittees on corrections, the house and senate fiscal agencies, and the state budget director. Each program's report shall include information on all of the following:

(a) Monthly new participants by type of offender. Community re-entry program participants shall be categorized by reason for placement. For technical rule violators, the report shall sort offenders by length of time since release from prison, by the most recent violation, and by the number of violations occurring since release from prison.

(b) Monthly participant unsuccessful terminations, including cause.

(c) Number of successful terminations.

(d) End month population by facility/program.

(e) Average length of placement.

(f) Return to prison statistics.

(g) Description of each program location or locations, capacity, and staffing.

(h) Sentencing guideline scores and actual sentence statistics for participants, if applicable.

(i) Comparison with prior year statistics.

(j) Analysis of the impact on prison admissions and jail utilization and the cost effectiveness of the program.

Sec. 612. (1) The department shall review and revise as necessary policy proposals that provide alternatives to prison for offenders being sentenced to prison as a result of technical probation violations and technical parole violations. To the extent the department has insufficient policies or resources to affect the continued increase in prison commitments among these offender populations, the department shall explore other policy options to allow for program alternatives, including department or OCC-funded programs, local level programs, and programs available through private agencies that may be used as prison alternatives for these offenders.

(2) To the extent policies or programs described in subsection (1) are used, developed, or contracted for, the department may request that funds appropriated in part 1 be transferred under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393, for their operation.

(3) The department shall continue to utilize parole violator processing guidelines that require parole agents to utilize all available appropriate community-based, nonincarcerative postrelease sanctions and services when appropriate. The department shall periodically evaluate such guidelines for modification, in response to emerging information from the demonstration projects for substance abuse treatment provided under this act and applicable provisions of prior budget acts for the department.

(4) The department shall provide quarterly reports to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the number of all parolees returned to prison and probationers sentenced to prison for either a technical violation or new sentence during the preceding calendar quarter. The reports shall include the following information each for probationers, parolees after their first parole, and parolees who have been paroled more than once:

(a) The numbers of parole and probation violators returned to or sent to prison for a new crime with a comparison of original versus new offenses by major offense type: assaultive, nonassaultive, drug, and sex.

(b) The numbers of parole and probation violators returned to or sent to prison for a technical violation and the type of violation, including, but not limited to, zero gun tolerance and substance abuse violations. For parole technical rule violators, the report shall list violations by type, by length of time since release from prison, by the most recent violation, and by the number of violations occurring since release from prison.

(c) The educational history of those offenders, including how many had a GED or high school diploma prior to incarceration in prison, how many received a GED while in prison, and how many received a vocational certificate while in prison.

(d) The number of offenders who participated in the MPRI versus the number of those who did not.

(e) The unduplicated number of offenders who participated in substance abuse treatment programs, mental health treatment programs, or both, while in prison, itemized by diagnosis.

Sec. 613. Subject to the appropriations in part 1, the department is encouraged to expand the use of continuous remote alcohol monitors for parolees and probationers who test positive for alcohol abuse or have alcohol-abuse-related violations of their community supervision.

Sec. 614. (1) As a condition of probation, community control, payment plan for the payment of a fine or restitution, or any other court-ordered supervision, the court may order the posting of a bond to secure the defendant's appearance at any subsequent court proceeding or to otherwise enforce the orders of the court. An appearance bond executed under this section shall be filed with the court or with the sheriff by a licensed professional bail agent who shall provide a copy of the bond to the clerk of court.

(2) The court may issue an order to produce the defendant sua sponte or upon notice by the clerk or the probation officer that the person has violated the terms of probation, community control, court-ordered supervision, or other applicable court order. The court or the clerk of the court shall give the bail agent not less than 72 hours to bring the defendant before the court. If the bail agent fails to produce the defendant in court or to the sheriff at the time noticed by the court or the clerk of court, the appearance bond required under subsection (1) shall be forfeited according to the procedures set forth in section 15 of chapter V of the code of criminal procedure, 1927 PA 175, MCL 765.15. The defendant's failure to appear shall be the sole grounds for forfeiture of the appearance bond.

Sec. 615. After the parole and commutations board has reviewed the cases of all inmates sentenced to life with the possibility of parole who have good institutional records and pose low-risk to the community, the parole and commutations board shall provide the legislature with a detailed explanation of why an inmate who scores "high probability of release" is not being paroled.

## **HEALTH CARE**

Sec. 801. The department shall not expend funds appropriated under part 1 for any surgery, procedure, or treatment to provide or maintain a prisoner's sex change unless it is determined medically necessary by the chief medical officer of the department.

Sec. 802. As a condition of expenditure of the funds appropriated in part 1, the department shall provide the senate and house of representatives appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director with all of the following:

(a) Quarterly reports on physical and mental health care detailing the average number of days between a prisoner's diagnosis and commencement of treatment for that diagnosis, quarterly and fiscal year-to-date expenditures itemized by vendor, allocations, status of payments from contractors to vendors, and projected year-end expenditures from accounts for prisoner health care, mental health care, pharmaceutical services, and durable medical equipment.

(b) Regular updates on progress on requests for proposals and requests for information pertaining to prisoner health care and mental health care, until the applicable contract is approved.

Sec. 803. For mental health contracts entered into by the department, including those with the Michigan department of community health, recognized performance standards and measures of quality shall be utilized to conduct periodic performance reviews. At least once every 3 years, the department shall renegotiate all mental health contracts entered into under this section with the goals of improving care and reducing costs.

Sec. 804. (1) The department shall report quarterly to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on prisoner health care utilization. The report shall include the number of inpatient hospital days, outpatient visits, and emergency room visits in the previous quarter and since October 1, 2009, by facility.

(2) By March 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on prisoners receiving off-site inpatient medical care that would have received care in a state correctional facility if beds were available. The report shall include the number of prisoners receiving off-site inpatient medical care and average length of stay in an off-site facility during the period they would have received care in a state correctional facility if beds were available, by month and correctional facilities administration region.

Sec. 805. The bureau of health care services shall develop information on hepatitis C and HIV prevention and the risks associated with exposure to hepatitis C and HIV. The health care providers shall disseminate this information verbally and in writing to each prisoner at the health screening and full health appraisal conducted at admissions, at the annual health care screening 30 days before or after a prisoner's birthday, and prior to release to the community by parole, transfer to community residential placement, or discharge on the maximum sentence.

Sec. 806. (1) From the funds appropriated in part 1, the department shall require a hepatitis C antibody test and an HIV test for each prisoner prior to release to the community by parole, transfer to community residential placement, or discharge on the maximum sentence. The department shall require an HIV test and a hepatitis C risk factor screening for each prisoner at the health screening at admissions. If hepatitis C risk factors are identified, the department shall offer the prisoner a hepatitis C antibody test. An explanation of results of the tests shall be provided confidentially to the prisoner, and if appropriate based on the test results, the prisoner shall also be provided a recommendation to seek follow-up medical attention.

(2) By March 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the number of offenders tested and the number of offenders testing positive for HIV, the hepatitis C antibody, or both, at prison admission and parole, transfer to community residential placement, or discharge on the maximum sentence. The department shall keep records of those offenders testing positive for HIV, the hepatitis C antibody, or both, at prison admission, parole, transfer to community residential placement, and discharge. These records shall clearly state the date each test was performed.

(3) As a condition of expenditure of the funds appropriated in part 1, the department shall keep records of the following:

- (a) The number of offenders testing positive for the hepatitis C antibody who do not receive treatment, by reason for not participating.
- (b) The number of offenders achieving a sustained viral response from hepatitis C treatment.
- (c) Cost and duration of treatment by offender.

Sec. 807. The department shall ensure that all medications for a prisoner be transported with that prisoner when the prisoner is transferred from 1 correctional facility to another. Prisoners being released shall be provided with at least a 30-day supply of medication and a prescription for refills to allow for continuity of care in the community.

Sec. 808. There are sufficient funds and FTEs appropriated in part 1 to provide a full complement of nurses for clinical complexes working regular pay hours, and it is the intent of the legislature that sufficient nurses be hired or retained to limit the use of overtime other-than-holiday pay.

Sec. 809. The department, in conjunction with efforts to implement the MPRI, shall cooperate with the MDCH to share data and information as they relate to prisoners being released who are HIV positive or positive for the hepatitis C antibody. By March 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on all of the following:

- (a) Programs and the location of programs implemented as a result of the work under this section.
- (b) The number of prisoners released to the community by parole, discharge on the maximum sentence, or transfer to community residential placement who are HIV positive, positive for the hepatitis C antibody, or both.
- (c) The number of offenders referred to the local public health department, by county.

Sec. 811. By February 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the status of efforts to implement continuous quality improvement for prisoner health care. At a minimum, the report shall identify the processes that were in place before the start of the fiscal year, the processes undertaken since the beginning of the fiscal year, and plans for future changes.

Sec. 812. (1) The department shall provide the department of human services with a monthly list of prisoners newly committed to the department of corrections. The department and the department of human services shall enter into an interagency agreement under which the department of human services provides the department of corrections with monthly lists of newly committed prisoners who are eligible for Medicaid benefits in order to maintain the process by which Medicaid benefits are suspended rather than terminated. The department shall assist prisoners who may be eligible for Medicaid benefits after release from prison with the Medicaid enrollment process prior to release from prison.

(2) The department shall provide the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director with quarterly updates on the utilization of Medicaid benefits for prisoners.

Sec. 813. The department shall work in cooperation with the department of community health to monitor and document drug utilization by department for prisoner health care services. As part of this effort, the department shall examine drug utilization patterns and cost-cutting strategies used by corrections systems in other states. By March 1, 2011, the department shall provide a report to the legislature detailing the department's drug utilizations and drug utilization statistics for corrections systems in other states.

Sec. 814. The department shall assure that psychotropic medications are available, when deemed medically necessary by a physician, to prisoners who have mental illness diagnoses but are not enrolled in the corrections mental health program.

Sec. 815. From the money appropriated in part 1 for health care administration, the department shall expend at least \$520,000.00 to operate a health care quality assurance unit.

## **CORRECTIONAL FACILITIES ADMINISTRATION**

Sec. 902. From the funds appropriated in part 1, the department shall allocate sufficient funds to develop a demonstration children's visitation program. The demonstration program shall teach parenting skills and arrange for day visitation at these facilities for parents and their children, except for the families of prisoners convicted of a crime involving criminal sexual conduct in which the victim was less than 18 years of age or involving child abuse.

Sec. 903. Except as otherwise provided in this section, the department shall prohibit prisoners' access to or use of the Internet or any similar system. Under adequate supervision and with security precautions that ensure appropriate computer use by prisoners, the department may allow a prisoner access to or use of the Internet for the purposes of educational programming, employment training, job searches, or other Internet-based programs and services consistent with programming objectives, efficient operations, and the safety and security of the institution.

Sec. 904. Any department employee who, in the course of his or her job, is determined by a physician to have had a potential exposure to the hepatitis B virus, shall receive a hepatitis B vaccination upon request.

Sec. 905. (1) The inmate housing fund shall be used for the custody, treatment, clinical, and administrative costs associated with the housing of prisoners other than those specifically budgeted for elsewhere in this act. Funding in the inmate housing fund is appropriated into a separate control account. Funding in the control account shall be distributed as necessary into separate accounts created to separately identify costs for specific purposes.

(2) Quarterly reports on all expenditures from the inmate housing fund shall be submitted by the department to the state budget director, the senate and house appropriations subcommittees on corrections, and the senate and house fiscal agencies.

Sec. 906. (1) The department shall establish a uniform rate to be paid by public and private agencies that benefit from public work services provided by special alternative incarceration participants and prisoners.

(2) It is the intent of the legislature that to the degree consistent with public safety and the safety and security of the institutions, public works projects be continued at the level provided in 2006 PA 331.

(3) It is the intent of the legislature that public works fee schedules be maintained at half the rates in effect on September 30, 2008.

(4) The department shall maintain a list of the number of prisoners available for public works crews at each department facility, and the number of prisoners necessary to fulfill current public works contracts at each department facility. The department shall place the list on a publicly accessible Internet site and update the list weekly.

(5) It is the intent of the legislature that pay rates for prisoners classified to public works assignments be increased by 50 cents per day from the rates in effect on September 30, 2009.

Sec. 907. The department shall report quarterly to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on academic/vocational programs. The report shall provide information relevant to an assessment of the department's academic and vocational programs, including, but not limited to, the following:

(a) The number of instructors and the number of instructor vacancies, by program and facility.

(b) The number of prisoners enrolled in each program, the number of prisoners completing each program, the number of prisoners who fail each program, the number of prisoners who do not complete each program and the reason for not completing the program, the number of prisoners transferred to another facility while enrolled in a program and the reason for transfer, the number of prisoners enrolled who are repeating the program by reason, and the number of prisoners on waiting lists for each program, all itemized by facility.

(c) The steps the department has undertaken to improve programs, track records, accommodate transfers and prisoners with health care needs, and reduce waiting lists.

(d) The number of prisoners paroled without a high school diploma and the number of prisoners paroled without a GED.

(e) An explanation of the value and purpose of each program, e.g., to improve employability, reduce recidivism, reduce prisoner idleness, or some combination of these and other factors.

(f) An identification of program outcomes for each academic and vocational program.

(g) An explanation of the department's plans for academic and vocational programs, including plans to contract with intermediate school districts for GED and high school diploma programs.

(h) The number of prisoners not paroled at their earliest release date due to lack of a GED, and the reason those prisoners have not obtained a GED.

Sec. 908. By February 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director, the percent of offenders included in the prison population intake for fiscal years 2008-2009 and 2009-2010 who have a high school diploma or a GED.

Sec. 909. As a condition of expending funds appropriated for academic/vocational programs under part 1, the department shall by January 31, 2011 provide a plan to contract with intermediate school districts for GED and high school diploma programs at correctional facilities to the members of the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director. The plan shall include detailed information on the development of the curriculum, how the program will be administered, how the program will improve employability, and how the program will be evaluated.

Sec. 910. The department shall allow the Michigan Braille transcribing fund program to operate at its current location. The donation of the building by the Michigan Braille transcribing fund at the G. Robert Cotton correctional facility in Jackson is acknowledged and appreciated. The department shall continue to encourage the Michigan Braille transcribing fund to produce high-quality materials for use by the visually impaired.

Sec. 911. (1) From the appropriations in part 1, the department shall ensure that all prisoner activities shall include the presence of a sufficient number of correctional officers needed to maintain the safety and security of the institution.

(2) By March 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the legislative corrections ombudsman, and the state budget director the number of critical incidents occurring each month by type and the number and severity of assaults occurring each month at each facility during calendar year 2010.

(3) The department shall not reduce the ratio of custody officers to prisoners at any correctional facility below the levels that existed October 1, 2008. Any correctional facility that reduces its security level after October 1, 2008 shall not have a ratio of custody officers to prisoners below that of a comparable facility. The department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director if it is unable to comply with this section. The report shall include all of the following:

(a) A list of the correctional facilities that reduced their ratio of custody officers to prisoners in violation of this subsection.

(b) An explanation of why the department is unable to comply with this subsection.

(c) A plan to maintain the safety and security of the facilities or units.

(4) Subsection (3) does not apply to facilities or portions of facilities that have closed.

Sec. 912. The department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director by March 1, 2011 on the ratio of correctional officers to prisoners for each correctional institution, the ratio of shift command staff to line custody staff, and the ratio of noncustody institutional staff to prisoners for each correctional institution.

Sec. 913. It is the intent of the legislature that any prisoner required to complete an assaultive offender program, sexual offender program, or other program as a condition of parole shall be transferred to a facility where that program is available in order to accomplish timely completion of that program prior to the expiration of his or her minimum sentence and eligibility for parole. Nothing in this section should be deemed to make parole denial appealable in court.

Sec. 916. The department shall issue a request for proposals by June 1, 2011 to convert the law library collections at correctional facilities to an electronic medium, if the department's feasibility study that examined similar conversions in Ohio and Pennsylvania reveals that the conversion would be beneficial.

Sec. 917. From the funds appropriated in part 1, the department shall allocate sufficient funds to implement evidence-based demonstration projects that change offenders' behaviors, values, beliefs, and attitudes toward victims and the community.

Sec. 918. Following receipt of an auditor general performance audit on offender transportation, the department, in conjunction with the department of management and budget, shall issue a request for information on the possible bidding of all offender transportation services. State employees shall be given the opportunity to respond to a request for information on offender transportation services. Any response to the request for information shall include an explanation of how savings of at least 5% over existing costs of offender transportation would be realized.

Sec. 919. (1) As a condition of expending funds appropriated in part 1 for prison food service, the department shall comply with the provision of section 207, including, but not limited to, all of the following criteria:

(a) Providing a complete project plan at least 90 days prior to issuing a request for proposals or an invitation to bid for all or a substantial portion of food service, including a contract for food procurement.

(b) Conducting a preprivatization cost-benefit analysis as described by section 207a.

(c) Providing a copy of the cost-benefit analysis to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director before the earliest of the following:

(i) Issuance of a request for proposals or invitation to bid.

(ii) Filing a contract change request with the state administrative board.

(iii) Entering into a contract for all or a substantial portion of prison food service.

(2) As a condition of expending funds appropriated in part 1 for prison food service, any contract for prison food service or prison food procurement shall identify all of the following:

(a) How savings equivalent to the savings specified in civil service rules for personal services outside the civil service would be realized.

(b) How the department will comply with the requirements of section 209.

(c) How food quality will be maintained in conjunction with any cost savings.

(d) The impact on local vendors, growers, and processors, identified by facility or region, as appropriate, compared to prior-year purchases.

Sec. 920. The department shall make every effort to operate a garden or horticultural operation at each correctional facility, where practical, in order to provide food for correctional facilities and not-for-profit organizations.

Sec. 921. (1) By April 30, 2011, the department shall report to the chairs of the senate and house appropriations committees, the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the following:

(a) The actual savings realized between January 1, 2009 and April 1, 2011 as a result of closing correctional facilities and correctional camps between January 1, 2009 and January 1, 2011, itemized by correctional facility or correctional camp.

(b) The projected fiscal year 2010-2011 savings by closing correctional facilities and correctional camps between January 1, 2009 and January 1, 2011, itemized by correctional facility or correctional camp.

(2) The report in subsection (1) shall include information on all of the following:

(a) The savings realized or projected to be realized, itemized by program or type of expenditure.

(b) Any cost of field supervision, field operations programs, or prisoner reintegration programs related to the closure of correctional facilities and correctional camps between January 1, 2009 and January 1, 2011.

Sec. 922. It is the intent of the legislature that all prisoners work 40 hours per week in the correctional facility, as part of a public works crew or in private enterprise, or participate in vocational or training programs. Prisoners may be enrolled in GED or education programs in combination with employment. Prisoners not employed shall be enrolled in GED or other educational programs for not less than 20 hours per week. This section does not apply to prisoners classified in level V or administrative segregation.

Sec. 923. The department shall cooperate with the department of education to evaluate the feasibility of local school districts providing education programming to targeted prisoners under the age of 20 who have not received a high school diploma. By June 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on any plans or evaluations developed under this section.

Sec. 924. The department shall evaluate all prisoners at intake for substance abuse disorders, developmental disorders, serious mental illness, and other mental health disorders. Prisoners with serious mental illness shall not be confined in administrative segregation due to serious mental illness. Under the supervision of a mental health professional, a prisoner with serious mental illness may be secluded in a therapeutic environment for the safety of the prisoner or others. A prisoner in therapeutic seclusion shall be evaluated every 12 hours by a mental health professional in order to remain in therapeutic seclusion.

Sec. 925. By March 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the annual number of prisoners in administrative segregation between October 1, 2003 and September 30, 2010, and the annual number of prisoners in administrative segregation between October 1, 2003 and September 30, 2010 who at any time during the current or prior prison term were diagnosed with serious mental illness or have a developmental disorder and the number of days each of the prisoners with serious mental illness or a developmental disorder have been confined to administrative segregation.

Sec. 927. The department of corrections and the department of human services shall enter into an intergovernmental agreement to place offenders less than 19 years of age who are committed to the department of corrections in underutilized units of the Maxey/Woodland center correctional facility. The facilities shall be used to house offenders less than 19 years of age who are currently committed to the department of corrections.

Sec. 928. Funding appropriated in part 1 for consent decree line items is appropriated into separate control accounts created for each line item. Funding in each control account shall be distributed as necessary into separate accounts created for the purpose of separately identifying costs and expenditures associated with each consent decree.

Sec. 929. From the funds appropriated in part 1, the department shall do all of the following:

(a) Ensure that any inmate care and control staff in contact with prisoners less than 19 years of age are adequately trained with regard to the developmental and mental health needs of prisoners less than 19 years of age. By April 1, 2011, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the training curriculum used and the number and types of staff receiving training under such curriculum since October 2009.

(b) Provide appropriate placement for prisoners less than 19 years of age who have serious mental illness, serious emotional disturbance, or a developmental disorder and need to be housed separately from the general population. Prisoners less than 19 years of age who have serious mental illness, serious emotional disturbance, or a developmental disorder shall not be placed in administrative segregation due to serious mental illness or serious emotional disturbance. Under the supervision of a mental health professional, a prisoner less than 19 years of age with serious mental illness or serious emotional disturbance may be secluded in a therapeutic environment for the safety of the prisoner or others. A prisoner in therapeutic seclusion shall be evaluated every 12 hours by a mental health professional in order to remain in therapeutic seclusion.

(c) Implement a specialized re-entry program that recognizes the needs of prisoners less than 19 years old for supervised re-entry.

Sec. 930. The department shall not have a shooting range located on property east of 3760 Foco Road, Standish, Michigan.

Sec. 932. From the funds appropriated in part 1 for psychiatric services, \$100,000.00 is appropriated to permit the department to contract with a board-certified child and adolescent psychiatrist to provide psychiatric services to individuals who are less than 19 years of age and are incarcerated in a department facility.

Sec. 933. From the funds appropriated in part 1, \$50,000.00 shall be utilized to create 2 pilot programs for a secure, scalable inmate learning management tool that enables inmates to improve job skill training and work toward achieving their GED, with the goal of reducing recidivism in concert with the council of state governments report. The pilots shall be designed to manage, track, and quantify all of the training, continuing education, development, and certification among other learning opportunities. The program shall include a wide variety of course work, including job search preparation and specialized programs to help inmates identify their current skills in relation to the job market. The pilots are to be housed on a single secure server, which cannot access the Internet, and are to be for use in 1 state prison and 1 county jail.

Sec. 934. From the funds appropriated in part 1 for prison industries operations, the department shall establish a pilot program for the manufacturing of textiles and clothing in at least 1 state correctional facility.

This act is ordered to take immediate effect.

*Carol Morey Viventi*

Secretary of the Senate

*Richard J. Brown*

Clerk of the House of Representatives

Approved .....

.....  
Governor



STATE OF MICHIGAN  
OFFICE OF THE GOVERNOR  
LANSING

JENNIFER M. GRANHOLM  
GOVERNOR

JOHN D. CHERRY, JR.  
LT. GOVERNOR

September 30, 2010

Michigan State Senate  
State Capitol  
Lansing, MI 48909

Ladies and Gentlemen:

Today I have signed Enrolled Senate Bill 1153, the general appropriations bill for the Department of Corrections for the fiscal year ending September 30, 2011. I have, however, disapproved two items pursuant to Section 19 of Article V of the Michigan Constitution of 1963. The specific item vetoes are contained in the attached copy of the bill, which has been filed with the Secretary of State.

I am disappointed that the Legislature, once again, did not take action to examine and revise Michigan's sentencing guidelines. Instead of considering reasonable adjustments to lengthy sentences that would not diminish public safety, the Legislature chose an across-the-board reduction to each correctional facility line item without a plan to attain over \$42.1 million in cuts. Cuts of this nature and magnitude could jeopardize the safety and order of the correctional system putting staff, prisoners, and the public in harms way. The cuts included in the budget bill are very aggressive and will be difficult to achieve. I have empowered the department to attempt to find the savings, but not at the cost of public safety.

I have disapproved the following appropriations:

- The interdepartmental grant of \$500,000 made to the Legislature for the Auditor General and associated boilerplate Section 508. I object to using the Department of Corrections budget to fund this general fund item that is more appropriately funded directly within the target for the Legislature.
- Section 933 of the bill appropriates \$50,000 for inmate learning management pilot projects in a prison and a county jail. New spending for pilot projects of this nature cannot be supported while core programs are drastically reduced.

To provide direction regarding implementation of this appropriations act, I

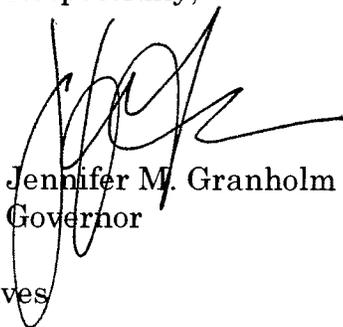
Michigan State Senate  
September 30, 2010  
Page 2

note the following:

- Sections 434(2) and 927 of the bill purport to impose duties on the Superintendent of Public Instruction and the Department of Human Services, respectively, while the bill provides no appropriations for those departments. The duties purportedly imposed by these sections cannot then be valid conditions on appropriations, appear to be outside the scope of the title and object of the bill, and may violate Const 1963, art IV, §24.

I thank the Legislature for completing this budget.

Respectfully,



Jennifer M. Granholm  
Governor

c: Michigan House of Representatives  
The Honorable Terri Lynn Land

# **EDUCATION**



Act No. 164  
Public Acts of 2010  
Approved by the Governor  
September 23, 2010  
Filed with the Secretary of State  
September 23, 2010  
EFFECTIVE DATE: September 23, 2010

**STATE OF MICHIGAN  
95TH LEGISLATURE  
REGULAR SESSION OF 2010**

Introduced by Senator Jelinek

# ENROLLED SENATE BILL No. 1154

AN ACT to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2011; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agency.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of education and certain state purposes related to education as set forth in this act for the fiscal year ending September 30, 2011, from the following funds:

**DEPARTMENT OF EDUCATION**

APPROPRIATION SUMMARY

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	556.5	
GROSS APPROPRIATION .....		\$ 126,959,900
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....		\$ 126,959,900
Federal revenues:		
IMLS, library services and technology act.....		5,561,800
Federal revenues.....		78,451,600
Federal indirect funds .....		3,758,700
Total federal revenues .....		87,772,100
Special revenue funds:		
Local cost sharing (schools for deaf/blind).....		6,879,800
Local school district service fees .....		319,600
Total local revenues.....		7,199,400
Gifts, bequests, and donations.....		650,600
Private foundations .....		2,473,900
Total private revenues .....		3,124,500
Total local and private revenues .....		10,323,900
Certification fees.....		5,858,100
Commodity distribution fees .....		71,700
Student insurance revenue .....		218,600

	For Fiscal Year Ending Sept. 30, 2011
Teacher college review fees .....	\$ 54,000
Teacher testing fees .....	336,400
Tenant rent .....	261,000
Training and orientation workshop fees .....	150,000
Total other state restricted revenues .....	6,949,800
State general fund/general purpose .....	\$ 21,914,100
 <b>Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT</b>	
Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	14.0
State board of education, per diem payments .....	\$ 24,400
Unclassified positions—6.0 FTE positions .....	645,600
State board/superintendent operations—14.0 FTE positions .....	2,091,300
GROSS APPROPRIATION .....	\$ 2,761,300
Appropriated from:	
Federal revenues:	
Federal revenues .....	111,400
Special revenue funds:	
Private foundations .....	27,400
Certification fees .....	612,000
State general fund/general purpose .....	\$ 2,010,500
 <b>Sec. 103. CENTRAL SUPPORT</b>	
Full-time equated classified positions .....	21.6
Central support—21.6 FTE positions .....	\$ 2,984,400
Worker's compensation .....	45,900
Building occupancy charges - property management services .....	2,723,400
Tenant rent .....	261,000
Training and orientation workshops .....	150,000
Terminal leave payments .....	554,700
GROSS APPROPRIATION .....	\$ 6,719,400
Appropriated from:	
Federal revenues:	
Federal revenues .....	1,414,700
Federal indirect funds .....	2,147,200
Special revenue funds:	
Local cost sharing (schools for deaf/blind) .....	68,400
Certification fees .....	405,800
Teacher testing fees .....	13,500
Tenant rent .....	261,000
Training and orientation workshop fees .....	150,000
State general fund/general purpose .....	\$ 2,258,800
 <b>Sec. 104. INFORMATION TECHNOLOGY SERVICES</b>	
Information technology operations .....	\$ 3,307,700
GROSS APPROPRIATION .....	\$ 3,307,700
Appropriated from:	
Federal revenues:	
Federal revenues .....	685,500
Federal indirect funds .....	1,228,600
Special revenue funds:	
Local cost sharing (schools for deaf/blind) .....	150,100
Certification fees .....	232,300
State general fund/general purpose .....	\$ 1,011,200
 <b>Sec. 105. SPECIAL EDUCATION SERVICES</b>	
Full-time equated classified positions .....	47.0
Special education operations—47.0 FTE positions .....	\$ 11,704,700
GROSS APPROPRIATION .....	\$ 11,704,700

Appropriated from:	
Federal revenues:	
Federal revenues .....	\$ 11,267,800
Special revenue funds:	
Private foundations .....	107,700
Certification fees.....	38,600
State general fund/general purpose .....	\$ 290,600

**Sec. 106. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND**

Full-time equated classified positions .....	109.0
Michigan schools for the deaf and blind operations—108.0 FTE positions .....	\$ 13,442,000
Camp Tuhsmeheeta—1.0 FTE position .....	295,100
Private gifts - blind .....	90,000
Private gifts - deaf.....	250,000
<b>GROSS APPROPRIATION .....</b>	<b>\$ 14,077,100</b>

Appropriated from:	
Federal revenues:	
Federal revenues .....	6,238,500
Special revenue funds:	
Local cost sharing (schools for deaf/blind) .....	6,661,300
Local school district service fees .....	308,100
Gifts, bequests, and donations.....	650,600
Student insurance revenue .....	218,600
State general fund/general purpose .....	\$ 0

**Sec. 107. PROFESSIONAL PREPARATION SERVICES**

Full-time equated classified positions .....	34.0
Professional preparation operations—34.0 FTE positions.....	\$ 7,084,500
Department of attorney general .....	50,000
<b>GROSS APPROPRIATION .....</b>	<b>\$ 7,134,500</b>

Appropriated from:	
Federal revenues:	
Federal revenues .....	2,852,800
Special revenue funds:	
Certification fees.....	3,479,200
Teacher testing fees .....	322,900
Teacher college review fees .....	54,000
State general fund/general purpose .....	\$ 425,600

**Sec. 108. EARLY CHILDHOOD EDUCATION AND FAMILY SERVICES**

Full-time equated classified positions .....	26.0
Early childhood education and family services operations—26.0 FTE positions .....	\$ 4,454,200
<b>GROSS APPROPRIATION .....</b>	<b>\$ 4,454,200</b>

Appropriated from:	
Federal revenues:	
Federal revenues .....	3,356,600
Special revenue funds:	
Private foundations .....	198,700
Certification fees.....	58,500
State general fund/general purpose .....	\$ 840,400

**Sec. 109. SCHOOL FINANCE AND SCHOOL LAW SERVICES**

Full-time equated classified positions .....	16.5
School finance and school law operations—16.5 FTE positions .....	\$ 2,844,100
<b>GROSS APPROPRIATION .....</b>	<b>\$ 2,844,100</b>

Appropriated from:	
Federal revenues:	
Federal revenues .....	952,700
Federal indirect funds .....	382,900

Special revenue funds:		
Certification fees.....	\$	493,400
State general fund/general purpose .....	\$	1,015,100

**Sec. 110. EDUCATIONAL ASSESSMENT AND ACCOUNTABILITY**

Full-time equated classified positions.....		64.1
Educational assessment operations—52.1 FTE positions.....	\$	9,652,300
State education reforms—12.0 FTE positions .....		<u>7,180,300</u>
<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>16,832,600</b>
Appropriated from:		
Federal revenues:		
Federal revenues.....		14,659,700
State general fund/general purpose .....	\$	2,172,900

**Sec. 111. GRANTS ADMINISTRATION AND SCHOOL SUPPORT SERVICES**

Full-time equated classified positions.....		71.6
Grants administration and school support services operations—65.6 FTE positions.....	\$	10,749,300
College access challenge grant program—6.0 FTE positions .....		4,268,600
Federal and private grants.....		<u>3,000,000</u>
<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>18,017,900</b>
Appropriated from:		
Federal revenues:		
Federal revenues.....		16,405,700
Special revenue funds:		
Local school district service fees .....		11,500
Private foundations .....		1,000,000
Commodity distribution fees .....		71,700
State general fund/general purpose .....	\$	529,000

**Sec. 112. FIELD SERVICES**

Full-time equated classified positions.....		41.0
Field services operations—41.0 FTE positions.....	\$	9,258,500
<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>9,258,500</b>
Appropriated from:		
Federal revenues:		
Federal revenues.....		8,497,300
Special revenue funds:		
Private foundations .....		569,400
Certification fees.....		51,400
State general fund/general purpose .....	\$	140,400

**Sec. 113. EDUCATIONAL IMPROVEMENT AND INNOVATION SERVICES**

Full-time equated classified positions.....		52.7
Educational improvement and innovation operations—52.7 FTE positions.....	\$	10,637,400
<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>10,637,400</b>
Appropriated from:		
Federal revenues:		
Federal revenues.....		8,648,500
Special revenue funds:		
Private foundations .....		570,700
Certification fees.....		486,900
State general fund/general purpose .....	\$	931,300

**Sec. 114. CAREER AND TECHNICAL EDUCATION**

Full-time equated classified positions.....		25.0
Career and technical education operations—25.0 FTE positions .....	\$	4,019,500
<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>4,019,500</b>
Appropriated from:		
Federal revenues:		
Federal revenues.....		3,360,400
State general fund/general purpose .....	\$	659,100

<b>Sec. 115. LIBRARY OF MICHIGAN</b>	
Full-time equated classified positions.....	34.0
Library of Michigan operations—33.0 FTE positions.....	\$ 3,879,200
Library services and technology program—1.0 FTE position.....	5,561,800
State aid to libraries .....	5,750,000
<b>GROSS APPROPRIATION .....</b>	<b>\$ 15,191,000</b>
Appropriated from:	
Federal revenues:	
IMLS, library services and technology act.....	5,561,800
State general fund/general purpose .....	\$ 9,629,200

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for the fiscal year ending September 30, 2011 is \$28,863,900.00 and state spending from state resources to be paid to local units of government for the fiscal year ending September 30, 2011 is \$5,750,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

**DEPARTMENT OF EDUCATION**

State aid to libraries .....	\$ 5,750,000
Total department of education .....	\$ 5,750,000

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

Sec. 203. As used in this act:

- (a) “ARRA” means American recovery and reinvestment act of 2009, Public Law 111-5.
- (b) “Department” means the Michigan department of education.
- (c) “District” means a local school district as defined in section 6 of the revised school code, 1976 PA 451, MCL 380.6, or a public school academy as defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5.
- (d) “FTE” means full-time equated.
- (e) “IMLS” means institute of museum and library services.

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

Sec. 205. The department shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 206. The department shall provide through the Internet the state board of education agenda and all supporting documents, and shall notify the state budget director and the senate and house fiscal agencies that the agenda and supporting documents are available on the Internet, at the time the agenda and supporting documents are provided to state board of education members.

Sec. 208. The department shall require all public school districts to maintain complete records within the personnel file of a teacher or school employee of any disciplinary actions taken by the local school board against the teacher or employee for sexual misconduct. The records shall not be destroyed or removed from the teacher’s or employee’s personnel file except as required by a court order.

Sec. 209. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of technology, management, and budget for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the departments and agencies and the department of technology, management, and budget.

Sec. 211. Before publishing a list of schools or districts determined to have failed to make adequate yearly progress as required by the no child left behind act of 2001, Public Law 107-110, the department shall allow a school or district to appeal that determination. The department shall consider and act upon the appeal within 30 days after it is submitted and shall not publish the list until after all appeals have been considered and decided.

Sec. 212. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, manufactured or provided by Michigan businesses owned and operated by veterans if they are competitively priced and of comparable quality.

Sec. 213. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department.

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

Sec. 214. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2011 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Sec. 215. The department shall not approve the travel of more than 1 departmental employee to a specific professional development conference or training seminar that is located outside of this state unless the professional development

conference or training seminar is funded by a federal or private funding source and requires more than 1 person from a department to attend, or the conference or training seminar includes multiple issues in which 1 employee from the department does not have expertise.

Sec. 216. The department shall not take disciplinary action against an employee who communicates truthfully and factually with a member of the legislature or his or her staff.

Sec. 217. The state superintendent of public instruction shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 219. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$5,000,000.00 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 \$700,000.00 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 \$250,000.00 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 \$3,000,000.00 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.

Sec. 220. The department shall provide data requested by a member of the legislature, his or her staff, or the house and senate fiscal agencies in a timely manner.

Sec. 221. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 222. (1) The department shall report no later than April 1, 2011 on each specific policy change made by the department to implement a public act affecting that department that took effect during the preceding calendar year. The department shall report to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used by the department to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(3) As used in this section:

(a) "Rule" means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

(b) "Small business" means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

Sec. 225. It is the intent of the legislature that not later than 60 days after the state receives audited membership counts from intermediate school districts, the state superintendent of public instruction shall investigate and report to the legislature on the scope of and proposed solutions to pupil membership fraud and the incidence of students counted in membership in a district and not remaining in that district for the balance of the school year.

Sec. 226. Not later than October 15, 2011, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

## **STATE BOARD/OFFICE OF THE SUPERINTENDENT**

Sec. 301. (1) The appropriations in part 1 may be used for per diem payments to the state board for meetings at which a quorum is present or for performing official business authorized by the state board. The per diem payments shall be at a rate as follows:

(a) State board of education - president - \$110.00 per day.

(b) State board of education - member other than president - \$100.00 per day.

(2) A state board of education member shall not be paid a per diem for more than 30 days per year.

(3) The state board executive shall report to the public, the senate and house fiscal agencies, and the state budget director the previous quarter's expenses by fund source for members of the state board of education.

Sec. 302. From the amount appropriated in part 1 to the state board of education, not more than \$35,000.00 shall be expended for in-state travel and out-of-state travel directly related to the duties of the state board of education.

## **MICHIGAN SCHOOLS FOR THE DEAF AND BLIND**

Sec. 401. The employees at the Michigan schools for the deaf and blind who work on a school year basis shall be considered annual employees for purposes of service credits, retirement, and insurance benefits.

Sec. 402. For each student enrolled at the Michigan schools for the deaf and blind, the department shall assess the intermediate school district of residence 100% of the cost of operating the student's instructional program. The amount shall exclude room and board related costs and the cost of weekend transportation between the school and the student's home.

Sec. 404. (1) The department may assess rent or lease excess property located on the campus of the Michigan schools for the deaf and blind in Flint to private or publicly funded organizations.

(2) From the amount appropriated in part 1 for tenant rent, the department may receive and expend funds from lease agreements at the Michigan schools for the deaf and blind Flint campus that have been negotiated with the approval of the department of technology, management, and budget. These funds shall be used for the operation, maintenance, and renovation expenses associated with the leased space.

(3) From the unexpended balances of appropriations for the schools for the deaf and blind operations, up to \$250,000.00 of any unexpended and unencumbered funds remaining on September 30, 2011 may be carried forward as a work project and expended for special maintenance and repairs of facilities at the campus of the Michigan schools for the deaf and blind in Flint. The work shall be carried out by state employees, or by contract as necessary, at an estimated cost of \$250,000.00. The estimated completion date of the work is September 30, 2012.

(4) From the tenant rent appropriation for Fay hall, up to \$100,000.00 of any unexpended and unencumbered funds remaining on September 30, 2011 may be carried forward as a work project or as restricted revenue and expended for special maintenance and repairs of facilities at Fay hall. The work project may be performed by state employees, or by contract when necessary, at an estimated cost of \$100,000.00. The estimated completion date of the work project is September 30, 2012.

Sec. 405. The department may assist the department of community health, other departments, and local school districts to secure reimbursement for eligible services provided in Michigan schools from the federal Medicaid program. The department may submit reports of direct expenses related to this effort to the department of community health for reimbursement.

Sec. 406. (1) The Michigan schools for the deaf and blind may promote its residential program as a possible appropriate option for children who are deaf or hard of hearing or who are blind or visually impaired. The Michigan schools for the deaf and blind shall distribute information detailing its services to all intermediate school districts in the state.

(2) Upon knowledge of or recognition by an intermediate school district that a child in the district is deaf or hard of hearing or blind or visually impaired, the intermediate school district shall provide to the parents of the child the literature distributed by the Michigan schools for the deaf and blind to intermediate school districts under subsection (1).

(3) Parents will continue to have a choice regarding the educational placement of their deaf or hard-of-hearing children.

Sec. 407. Revenue received by the Michigan schools for the deaf and blind from gifts, bequests, and donations that is unexpended at the end of the state fiscal year may be carried over to the succeeding fiscal year and shall not revert to the general fund.

### **PROFESSIONAL PREPARATION SERVICES**

Sec. 501. From the funds appropriated in part 1 for professional preparation services, the department shall maintain the professional personnel register and certificate revocation/felony conviction files.

Sec. 502. The department shall authorize teacher preparation institutions to provide an alternative program by which up to 1/2 of the required student internship or student teaching credits may be earned through substitute teaching. The department shall require that teacher preparation institutions collaborate with school districts to ensure that the quality of instruction provided to student teachers is comparable to that required in a traditional student teaching program.

Sec. 506. Revenue received from teacher testing fees that is unexpended at the end of the state fiscal year may be carried over to the succeeding fiscal year and shall not revert to the general fund.

### **OFFICE OF EDUCATIONAL IMPROVEMENT AND INNOVATION**

Sec. 601. From the amount appropriated in part 1 for the office of educational improvement and innovation, there is allocated \$350,000.00 and 3.5 FTE positions to operate a charter school office to administer charter school legislation and associated regulations, and to coordinate the activities of the department relating to charter schools.

### **INFORMATION TECHNOLOGY**

Sec. 701. The department shall work in collaboration with the center for educational performance and information to support the comprehensive educational information system and all data collection and reporting efforts of the department.

### **LIBRARY OF MICHIGAN**

Sec. 801. In addition to the funds appropriated in part 1, the funds collected by the department for document reproduction and services; conferences, workshops, and training classes; and the use of specialized equipment, facilities, and software are appropriated for all expenses necessary to provide the required services. These funds are available for expenditure when they are received and may be carried forward into the next succeeding fiscal year.

Sec. 803. It is the intent of the legislature that the library of Michigan and the component programs currently within the library of Michigan shall be kept together in a state department.

Sec. 804. From the funds appropriated in part 1 and other funding available, the department and library of Michigan shall maintain custody of the non-Michigan genealogy and all Michigan-specific collections. These collections shall continue to be made available to the public.

### **GRANTS ADMINISTRATION AND SCHOOL SUPPORT SERVICES**

Sec. 901. Within 10 days of the receipt of a grant appropriated in the federal and private grants line item in part 1, the department shall notify the house and senate chairpersons of the appropriations subcommittees responsible for the department budget, the house and senate fiscal agencies, and the state budget director of the receipt of the grant, including the funding source, purpose, and amount of the grant.

Sec. 902. The college access challenge grant program is a work project as provided in section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a, and as follows and as such appropriations for the program shall not lapse at the end of the fiscal year but shall continue to be available for expenditure until the project has been completed:

- (a) The purpose of the project is to provide assistance and training to Michigan families, counselors, teachers, and community leaders in applying for and securing funds for college to low-income students.
- (b) The project will be accomplished by state employees and/or by contracts with private vendors.
- (c) The total estimated cost of the project is \$8,571,000.00.
- (d) The tentative completion date is September 30, 2012.

Sec. 903. By not later than March 1, 2011, the department shall work with districts that operate as a school of excellence cyber school as defined in section 551 of the revised school code, 1976 PA 451, MCL 380.551, and districts that operate an alternative education program with a seat-time waiver under section 101 of the state school aid act of 1979, 1979 PA 94, MCL 388.1701, to provide a report to the house and senate chairpersons of the appropriations subcommittees responsible for the department budget, the house and senate fiscal agencies, and the state budget director on all of the following:

- (a) Each district operating a program and the districts that enroll students in their program.
- (b) The total number of students and membership pupils enrolled in each program.
- (c) The district in which each pupil is enrolled if other than the district with the seat-time wavier or the cyber school.
- (d) The district in which the pupil was enrolled prior to enrolling in the cyber school or the district with a seat-time waiver program.
- (e) The number of participating students who had previously dropped out of school.
- (f) The number of participating students who had previously been expelled from school.
- (g) The cost per pupil paid to each online education provider.
- (h) The cost per pupil charged to school districts that enroll their students in the program.
- (i) The name of each online education provider contracted by a district with a seat-time waiver or a cyber school and the state in which the online education provider is located.

Sec. 904. From the amount appropriated in part 1 for grants administration and school support, there is appropriated \$1,862,700.00 to administer the funding received under section 101 of title 1 of Public Law 111-226.

This act is ordered to take immediate effect.

*Carol Morey Viventi*

Secretary of the Senate

*Richard J. Brown*

Clerk of the House of Representatives

Approved .....

.....  
Governor

# **ENERGY, LABOR, AND ECONOMIC GROWTH**



Act No. 186  
Public Acts of 2010  
Approved by the Governor\*  
September 30, 2010  
Filed with the Secretary of State  
September 30, 2010  
EFFECTIVE DATE: September 30, 2010

\*Item Vetoes

**Sec. 342.**  
Entire Section. (Page 13)

**Sec. 704.**  
Entire Section. (Page 15)

**Sec. 719.**  
Entire Section. (Page 15)

**Sec. 818.**  
Entire Section. (Page 17)



**STATE OF MICHIGAN  
95TH LEGISLATURE  
REGULAR SESSION OF 2010**

Introduced by Rep. Hammel

**ENROLLED HOUSE BILL No. 5884**

AN ACT to make appropriations for the department of energy, labor, and economic growth and certain other state purposes for the fiscal year ending September 30, 2011; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. The amounts listed in this part are appropriated for the department of energy, labor, and economic growth, subject to the conditions set forth in this act, for the fiscal year ending September 30, 2011, from the funds identified in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH  
APPROPRIATION SUMMARY**

Full-time equated unclassified positions .....	58.5		
Full-time equated classified positions.....	4,359.5		
<b>GROSS APPROPRIATION .....</b>		<b>\$</b>	<b>1,278,178,200</b>
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers.....			13,246,300
<b>ADJUSTED GROSS APPROPRIATION.....</b>		<b>\$</b>	<b>1,264,931,900</b>
Federal revenues:			
Total federal revenues .....			845,292,500
Special revenue funds:			
Total local revenues.....			16,020,400
Total private revenues.....			6,085,000
Total other state restricted revenues .....			349,926,100
State general fund/general purpose .....		<b>\$</b>	<b>47,607,900</b>

**Sec. 102. DEPARTMENTAL ADMINISTRATION**

Full-time equated unclassified positions .....	58.5		
Full-time equated classified positions.....	153.0		
Unclassified salaries.....		<b>\$</b>	<b>4,625,200</b>
Executive director programs—49.0 FTE positions.....			5,559,500

	For Fiscal Year Ending Sept. 30, 2011
Property management .....	\$ 11,161,300
Rent.....	12,675,800
Worker's compensation .....	851,700
Special project advances .....	940,000
Administrative services—104.0 FTE positions.....	10,534,600
GROSS APPROPRIATION .....	\$ 46,348,100
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of community health.....	300,000
Federal revenues:	
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants.....	4,171,900
DOE-OEERE, multiple grants.....	68,700
DOL-ETA, unemployment insurance.....	11,314,800
DOL-ETA, workforce investment act.....	902,900
DOL, federal funds.....	1,680,000
DOL, multiple grants for safety and health .....	753,900
Federal revenues.....	615,600
HHS, titles XVIII and XIX .....	55,000
HHS, temporary assistance for needy families.....	332,400
Special revenue funds:	
Local revenues .....	131,300
Private - special project advances.....	940,000
Bank fees.....	342,900
Boiler fee revenue .....	244,400
Construction code fund.....	1,085,000
Consumer finance fees .....	73,400
Contingent fund, penalty and interest account.....	872,300
Corporation fees.....	4,470,600
Credit union fees.....	355,400
Deferred presentment service transaction fees .....	24,900
Elevator fees .....	251,500
Fees and collections/asbestos .....	98,200
Fire service fees .....	748,700
Insurance licensing and regulation fees .....	1,772,400
Insurance bureau fund.....	492,400
Licensing and regulation fees.....	972,700
Liquor purchase revolving fund.....	4,688,600
MBLSLA fund.....	84,200
Mobile home code fund .....	252,300
Motor carrier fees.....	203,600
Private occupational school license fees .....	14,000
Public utility assessments .....	2,251,600
Retired engineers technical assistance program fund .....	234,700
Safety education and training fund .....	725,800
Second injury fund .....	247,500
Securities fees .....	2,400,700
Self-insurers security fund.....	88,300
Silicosis and dust disease fund .....	109,900
Tax tribunal fund.....	176,500
Video franchise assessments.....	4,000
Worker's compensation administrative revolving fund .....	100,000
State general fund/general purpose .....	\$ 1,695,100
 <b>Sec. 103. OFFICE OF FINANCIAL AND INSURANCE REGULATION</b>	
Full-time equated classified positions.....	370.0
Administration—35.0 FTE positions .....	\$ 7,136,000
Financial evaluation—225.0 FTE positions .....	33,212,600
Regulatory compliance and consumer assistance—110.0 FTE positions .....	18,068,200
GROSS APPROPRIATION .....	\$ 58,416,800

Appropriated from:	
Federal revenues:	
Federal regulatory project revenue.....	\$ 50,400
Federal revenues.....	2,000,000
Special revenue funds:	
Bank fees.....	8,091,000
Captive insurance regulatory and supervision fund .....	247,800
Consumer finance fees .....	4,061,700
Credit union fees.....	5,953,800
Deferred presentment service transaction fees .....	2,562,500
Insurance bureau fund.....	20,017,600
Insurance continuing education fees .....	1,000,000
Insurance licensing and regulation fees .....	4,579,300
MBLSLA fund.....	4,577,500
Multiple employer welfare arrangement.....	72,600
Securities fees .....	4,202,600
Securities investor education and training fund .....	1,000,000
State general fund/general purpose .....	\$ 0

**Sec. 104. PUBLIC SERVICE COMMISSION AND ENERGY SYSTEMS**

Full-time equated classified positions.....	213.0	
Public service commission—190.0 FTE positions.....		\$ 26,380,500
Bureau of energy systems—18.0 FTE positions.....		12,068,600
METRO authority—5.0 FTE positions .....		334,900
GROSS APPROPRIATION .....		\$ 38,784,000

Appropriated from:	
Federal revenues:	
DOE-OEERE, multiple grants .....	9,680,600
DOT-RSPA, gas pipeline safety .....	430,000
Special revenue funds:	
Private - oil overcharge.....	30,000
Children's protection registry fund .....	272,600
Motor carrier fees .....	1,689,100
Public utility assessments .....	24,239,700
Restructuring mechanism assessment.....	440,000
Retired engineers technical assistance program fund .....	1,602,000
Video franchise assessments.....	400,000
State general fund/general purpose .....	\$ 0

**Sec. 105. LIQUOR CONTROL COMMISSION**

Full-time equated classified positions.....	158.0	
Management support services—28.0 FTE positions.....		\$ 3,670,700
Liquor licensing and enforcement—130.0 FTE positions .....		14,178,600
GROSS APPROPRIATION .....		\$ 17,849,300

Appropriated from:	
Special revenue funds:	
Direct shipper enhancement revolving fund .....	120,000
Liquor license revenue .....	6,813,600
Liquor purchase revolving fund.....	10,915,700
State general fund/general purpose .....	\$ 0

**Sec. 106. OCCUPATIONAL REGULATION**

Full-time equated classified positions.....	435.0	
Boiler inspection program—25.0 FTE positions.....		\$ 2,883,000
Bureau of fire services—57.0 FTE positions.....		5,559,000
Code enforcement—120.0 FTE positions .....		13,726,700
Commercial services—170.0 FTE positions.....		18,384,600
Elevator inspection program—30.0 FTE positions .....		3,102,200

	For Fiscal Year Ending Sept. 30, 2011
Manufactured housing and land resources program—22.0 FTE positions .....	\$ 2,651,600
Property development group—11.0 FTE positions.....	1,658,300
<b>GROSS APPROPRIATION .....</b>	<b>\$ 47,965,400</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of community health, inspection contract.....	100,000
Federal revenues:	
DOT.....	60,000
FEMA.....	28,000
HHS, titles XVIII and XIX .....	700,000
Special revenue funds:	
Accountancy enforcement fund.....	408,100
Boiler fee revenue .....	3,306,500
Builder enforcement fund .....	415,600
Construction code fund.....	12,908,800
Corporation fees.....	6,149,000
Elevator fees .....	3,496,600
Fire alarm fees .....	111,300
Fire safety standard and enforcement fund .....	40,000
Fire service fees .....	1,919,700
Land sales fees.....	55,600
Licensing and regulation fees.....	10,914,500
Mobile home code fund .....	2,651,600
Property development fees.....	298,900
Real estate appraiser continuing education fund .....	47,000
Real estate education fund.....	283,800
Real estate enforcement fund .....	350,400
Security business fund.....	312,000
Survey and remonumentation fund.....	749,600
Unarmed combat fund .....	58,400
State general fund/general purpose .....	\$ 2,600,000
 <b>Sec. 107. MICHIGAN OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION</b>	
Full-time equated classified positions.....	229.0
Occupational safety and health—229.0 FTE positions.....	\$ 27,750,500
<b>GROSS APPROPRIATION .....</b>	<b>\$ 27,750,500</b>
Appropriated from:	
Federal revenues:	
DOL, multiple grants for safety and health .....	12,946,600
Special revenue funds:	
Corporation fees.....	3,664,400
Fees and collections/asbestos .....	893,200
Safety education and training fund .....	8,289,900
Securities fees .....	1,956,400
State general fund/general purpose .....	\$ 0
 <b>Sec. 108. BUREAU OF WORKER'S AND UNEMPLOYMENT COMPENSATION</b>	
Full-time equated classified positions.....	1,551.0
Worker's compensation administration—96.6 FTE positions.....	\$ 9,417,400
Board of magistrates and appellate commission—19.4 FTE positions.....	2,881,000
Insurance funds administration—28.0 FTE positions.....	4,816,700
Supplemental benefit fund .....	820,000
Unemployment programs—1,302.7 FTE positions.....	135,180,200
Advocacy assistance program .....	1,500,000
Expanded fraud control program—33.2 FTE positions .....	3,428,400
Special audit and collections program—34.0 FTE positions.....	2,993,200
Training program for agency staff—2.1 FTE positions.....	1,821,400
Wage and hour division—35.0 FTE positions .....	3,346,800
<b>GROSS APPROPRIATION .....</b>	<b>\$ 166,205,100</b>

Appropriated from:	
Federal revenues:	
DOL-ETA, employment and training administration .....	\$ 1,173,800
DOL-ETA, unemployment insurance .....	137,754,900
Federal Reed act funds .....	4,494,500
Special revenue funds:	
Corporation fees .....	3,389,900
Contingent fund, regular penalty and interest account .....	1,500,000
Second injury fund .....	2,593,000
Securities fees .....	2,535,300
Self-insurers security fund .....	1,226,100
Silicosis and dust disease fund .....	997,600
Worker's compensation administrative revolving fund .....	2,790,400
State general fund/general purpose .....	\$ 7,749,600

**Sec. 109. STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES**

Full-time equated classified positions .....	178.0
Administrative hearings and rules—178.0 FTE positions .....	\$ 24,910,100
GROSS APPROPRIATION .....	\$ 24,910,100

Appropriated from:	
Interdepartmental grant revenues:	
IDG - administrative hearings and rules .....	12,846,300
Federal revenues:	
Federal revenue - administrative hearings and rules .....	7,296,900
Special revenue funds:	
State restricted revenue - administrative hearings and rules .....	4,766,900
State general fund/general purpose .....	\$ 0

**Sec. 110. INFORMATION TECHNOLOGY**

Information technology services and projects .....	\$ 42,296,300
GROSS APPROPRIATION .....	\$ 42,296,300

Appropriated from:	
Federal revenues:	
DOL-ETA, unemployment insurance .....	21,554,000
DOL, multiple grants for safety and health .....	273,700
Federal revenues .....	6,454,300
HHS, temporary assistance for needy families .....	176,300
Special revenue funds:	
Bank fees .....	219,500
Boiler fee revenue .....	320,500
Construction code fund .....	1,027,500
Consumer finance fees .....	95,100
Corporation fees .....	2,833,700
Credit union fees .....	192,100
Deferred presentment service transaction fees .....	85,700
Elevator fees .....	271,300
Fees and collections/asbestos .....	11,000
Fire service fees .....	553,500
Insurance bureau fund .....	545,500
Insurance continuing education fees .....	26,700
Insurance licensing and regulation fees .....	330,000
Licensing and regulation fees .....	1,148,400
Liquor purchase revolving fund .....	2,630,900
MBLSLA fund .....	104,100
Mobile home code fund .....	152,800
Motor carrier fees .....	148,900
Public utility assessments .....	979,100
Retired engineers technical assistance program fund .....	23,200

For Fiscal Year  
Ending Sept. 30,  
2011

Safety education and training fund .....	\$	624,700
Second injury fund .....		143,600
Securities fees .....		923,500
Self-insurers security fund.....		71,500
Silicosis and dust disease fund .....		61,500
Tax tribunal fund.....		210,000
State general fund/general purpose .....	\$	103,700

**Sec. 111. WORKFORCE DEVELOPMENT**

Full-time equated classified positions.....		872.5
Employment services—246.0 FTE positions.....	\$	49,389,600
Labor market information—52.0 FTE positions.....		6,564,400
Michigan rehabilitation services—513.5 FTE positions .....		73,641,400
Workforce programs administration—61.0 FTE positions .....		13,176,000
GROSS APPROPRIATION .....	\$	142,771,400

Appropriated from:

Federal revenues:

DAG, employment and training.....		178,700
DED-OPSE, multiple grants .....		1,222,900
DED-OSERS, centers for independent living.....		58,200
DED-OSERS, rehabilitation long-term training .....		316,900
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants.....		56,890,000
DED-OSERS, state grants for technical-related assistance .....		59,200
DOL-ETA, workforce investment act.....		7,890,000
DOL, federal funds .....		49,477,500
HHS, temporary assistance for needy families.....		3,337,600
HHS-SSA, supplemental security income.....		3,770,800

Special revenue funds:

Local revenue .....		4,405,300
Local vocational rehabilitation match .....		2,684,500
Private - gifts, bequests, and donations .....		816,000
Contingent fund, penalty and interest account.....		1,853,100
Rehabilitation services fees .....		1,350,300
Second injury fund .....		51,500
State general fund/general purpose .....	\$	8,408,900

**Sec. 112. CAREER EDUCATION PROGRAMS**

Full-time equated classified positions.....		30.0
Postsecondary education—14.0 FTE positions.....	\$	3,038,300
Adult education—16.0 FTE positions .....		2,570,700
GROSS APPROPRIATION .....	\$	5,609,000

Appropriated from:

Federal revenues:

Federal revenues.....		3,942,200
Special revenue funds:		
Defaulted loan collection fees .....		100,000
Private occupational school license fees .....		662,000
State general fund/general purpose .....	\$	904,800

**Sec. 113. DEPARTMENT GRANTS**

Adult basic education.....	\$	20,000,000
Carl D. Perkins grants.....		19,000,000
Gear-up program grants.....		3,000,000
Workforce training programs subgrantees .....		296,153,600
Personal assistance services .....		459,500
Vocational rehabilitation customer support .....		57,986,700
Independent living.....		4,908,600
Welfare-to-work programs.....		96,923,800

	For Fiscal Year Ending Sept. 30, 2011
Fire protection grants .....	\$ 10,910,500
Low-income energy efficiency assistance.....	95,000,000
Liquor law enforcement grants.....	6,600,000
Remonumentation grants.....	5,300,000
Private grant programs.....	3,000,000
Michigan nursing corps.....	500,000
Subregional libraries state aid .....	451,800
GROSS APPROPRIATION .....	\$ 620,194,500

Appropriated from:

Federal revenues:

DAG, employment and training.....	7,000,000
DED-OESE, gear-up .....	3,000,000
DED-OSERS, centers for independent living.....	450,200
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants.....	37,056,700
DED-OSERS, rehabilitation services facilities.....	2,272,500
DED-OSERS, supported employment .....	1,541,300
DED-OSERS, state grants for technical-related assistance .....	2,240,800
DED-OVAE, adult education .....	20,000,000
DED-OVAE, basic grants to states .....	19,000,000
DOL-ETA, workforce investment act.....	225,227,700
DOL, federal funds.....	81,425,900
HHS-SSA, supplemental security income.....	5,868,400
HHS, temporary assistance for needy families.....	64,699,000

Special revenue funds:

Local vocational rehabilitation facilities match.....	1,278,300
Local vocational rehabilitation match.....	7,000,000
Private - gifts, bequests, and donations .....	400,000
Private revenue.....	3,000,000
Contingent fund, penalty and interest account.....	1,000,000
Low-income energy efficiency fund.....	95,000,000
Fire protection fund.....	8,500,000
Liquor purchase revolving fund.....	2,410,500
Liquor license revenue .....	6,600,000
Survey and remonumentation fund.....	5,300,000
State general fund/general purpose .....	\$ 19,923,200

**Sec. 114. BOARDS, AUTHORITIES, AND COMMISSIONS**

Full-time equated classified positions.....	170.0
MES board of review program—18.0 FTE positions .....	\$ 2,378,700
Hispanic/Latino commission—2.0 FTE positions .....	267,300
Commission on disability concerns—7.0 FTE positions .....	1,190,500
Commission for the blind—107.0 FTE positions.....	26,819,700
Utility consumer representation.....	950,000
Youth low-vision program.....	241,800
Tax tribunal operations—15.0 FTE positions.....	2,867,900
Employment and labor relations—21.0 FTE positions.....	3,591,800
GROSS APPROPRIATION .....	\$ 38,307,700

Appropriated from:

Federal revenues:

Federal revenues.....	21,008,100
EEOC, federal funds.....	10,000
DOL-ETA, unemployment insurance.....	2,378,700

Special revenue funds:

Private revenues.....	129,000
Local revenues .....	521,000
Division on deafness fund.....	93,400
Securities fees .....	3,581,800
State restricted revenues.....	545,200

	For Fiscal Year Ending Sept. 30, 2011
Tax tribunal fund.....	\$ 2,867,900
Utility consumer representation fund .....	950,000
State general fund/general purpose .....	\$ 6,222,600
 <b>Sec. 115. CAPITAL OUTLAY</b>	
Kalamazoo training center renovations .....	\$ 770,000
GROSS APPROPRIATION .....	\$ 770,000
Appropriated from:	
Special revenue funds:	
Private revenues.....	770,000
State general fund/general purpose .....	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2010-2011 is \$397,534,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2010-2011 is \$39,850,100.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

**DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH**

Fire protection grants .....	\$ 10,910,500
Liquor law enforcement .....	6,600,000
Remonumentation grants.....	5,300,000
Firefighters training council.....	1,363,000
Welfare-to-work programs.....	15,224,800
Subregional libraries state aid .....	451,800
Total department of energy, labor, and economic growth .....	\$ 39,850,100

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

Sec. 203. As used in this act:

- (a) "DAG" means the United States department of agriculture.
- (b) "DED" means the United States department of education.
- (c) "DED-OESE" means the DED office of elementary and secondary education.
- (d) "DED-OPSE" means the DED office of postsecondary education.
- (e) "DED-OSERS" means the DED office of special education rehabilitation services.
- (f) "DED-OVAE" means the DED office of vocational and adult education.
- (g) "Department" means the department of energy, labor, and economic growth.
- (h) "Director" means the director of the department of energy, labor, and economic growth.
- (i) "DOE" means the United States department of energy.
- (j) "DOE-OEERE" means the DOE office of energy efficiency and renewable energy.
- (k) "DOL" means the United States department of labor.
- (l) "DOL-ETA" means the DOL employment and training administration.
- (m) "DOT" means the United States department of transportation.
- (n) "DOT-RSPA" means the DOT research and special programs administration.
- (o) "EEOC" means equal employment opportunity commission.
- (p) "FEMA" means federal emergency management agency.

(q) "Fire safety standard and enforcement fund" means fire safety standard and firefighter protection act enforcement fund created in section 9 of the fire safety standard and firefighter protection act, 2009 PA 56, MCL 29.499.

(r) "Fiscal agencies" means Michigan house fiscal agency and Michigan senate fiscal agency.

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

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

(u) "HHS-SSA" means HHS social security administration.

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

(w) "IDG" means interdepartmental grant.

(x) "MARVIN" means Michigan's automated response voice interactive network.

(y) "MBLSLA" means mortgage brokers, lenders, and servicers licensing act.

(z) "MES" means Michigan employment security.

(aa) "METRO" means metropolitan extension telecommunications rights-of-way oversight.

(bb) "MIOSHA" means Michigan occupational safety and health administration.

(cc) "SOAHR" means the state office of administrative hearings and rules.

(dd) "Subcommittees" means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.

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

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

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

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

Sec. 211. The department shall establish and maintain affirmative action programs based on the guidelines developed by the state equal opportunity and diversity council which was created by Executive Order No. 2008-22 in order to receive general fund/general purpose dollars in compliance with section 26 of article I of the state constitution of 1963.

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

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

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

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

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

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

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

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

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

(2) The department shall not approve the travel of more than 1 departmental employee to a specific professional development conference or training seminar that is located outside of this state unless a professional development conference or training seminar is funded by a federal or private funding source and requires more than 1 person from a department to attend, or the conference or training seminar includes multiple issues in which 1 employee from the department does not have expertise.

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Sec. 220. The department may carry into the succeeding fiscal year unexpended federal pass-through funds to local institutions and governments that do not require additional state matching funds. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 and that do not require additional state matching funds are appropriated for the purposes intended. Within 14 days after the receipt of federal pass-through funds, the department shall notify the house and senate chairpersons of the subcommittees, the fiscal agencies, and the state budget director of pass-through funds appropriated under this section.

Sec. 221. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 223. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$45,000,000.00 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 \$31,000,000.00 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 \$8,000,000.00 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 \$600,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 225. (1) Within 10 days after the receipt of a grant appropriated in the private grant funded projects line item in part 1, the department shall notify the house and senate chairpersons of the subcommittees, the fiscal agencies, and the state budget director of the receipt of the grant, including the funding source, purpose, and amount of the grant.

(2) The department shall report to the house and senate chairpersons of the subcommittees, the fiscal agencies, and the state budget director by January 15 on the amount and uses of the federal energy program grants appropriated in part 1 in the line item for the bureau of energy systems.

Sec. 226. Not later than October 15, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the fiscal agencies.

Sec. 227. The department shall sell documents at a price not to exceed the cost of production and distribution. Money received from the sale of these documents shall revert to the department. In addition to the funds appropriated in part 1, these funds are available for expenditure when they are received by the department of treasury and may only be used for costs directly related to the continued updating and distribution of the documents pursuant to this section. This section applies only for the following documents:

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

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

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

(d) The mobile home commission act, 1987 PA 96, MCL 125.2301 to 125.2349; the business corporation act, 1972 PA 284, MCL 450.1101 to 450.2098; the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192; and the uniform securities act (2002), 2008 PA 551, MCL 451.2101 to 451.2703.

(e) Labor law books.

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

(g) Construction code manuals.

(h) Copies of transcripts from administrative law hearings.

Sec. 228. Unless prohibited by law, the department may accept credit card or other electronic means of payment for licenses, fees, or permits.

Sec. 231. (1) On a quarterly basis, the department shall report on the number of FTEs in pay status by civil service classification to the senate and house appropriations subcommittees on economic development and the senate and house fiscal agencies.

(2) From the funds appropriated in part 1, the department shall develop, post, and maintain on a user-friendly and publicly accessible Internet website all expenditures made by the department within a fiscal year. The posting must include the purpose for which each expenditure is made. Funds appropriated in part 1 from the federal American recovery and reinvestment act shall also be included on a publicly accessible website maintained by the Michigan economic recovery office. The department shall not provide financial information on its website under this section if doing so would violate a federal or state law, rule, regulation, or guideline that establishes private or security standards applicable to that section.

(3) The department shall not expend more than \$10,000.00 from the appropriations in part 1 to implement the requirements of this section.

## **REGULATORY**

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

Sec. 301a. (1) Cities, villages, and townships receiving fire protection grant funds in accordance with 1977 PA 289, MCL 141.951 to 141.956, shall submit a report to the department detailing the expenditures made by the local unit from fire protection grant funds, the fire-related activities of the local unit's police and fire departments on state property, and the costs of such activities. The local unit shall provide a report no later than January 1, covering the state fiscal year ending September 30, 2010.

(2) The department shall provide a standard template for use by local units of government when submitting a report to the department.

(3) The department shall prepare a summary of the local submissions and provide it to the house and senate chairpersons of the subcommittees, the fiscal agencies, and the state budget director by March 31.

Sec. 302. Money appropriated under this act for the bureau of fire services shall not be expended unless, in accordance with section 2c of the fire prevention code, 1941 PA 207, MCL 29.2c, inspection and plan review fees will be charged according to the following schedule:

<u>Operation and maintenance inspection fee</u>		
<u>Facility type</u>	<u>Facility size</u>	<u>Fee</u>
Hospitals	Any	\$8.00 per bed
<u>Plan review and construction inspection fees for hospitals and schools</u>		
<u>Project cost range</u>	<u>Fee</u>	
\$101,000.00 or less	minimum fee of \$155.00	
\$101,001.00 to \$1,500,000.00	\$1.60 per \$1,000.00	
\$1,500,001.00 to \$10,000,000.00	\$1.30 per \$1,000.00	
\$10,000,001.00 or more	\$1.10 per \$1,000.00	
	or a maximum fee of \$60,000.00.	

Sec. 302a. In addition to the funds appropriated in part 1, the funds credited to the cigarette fire safety standard and firefighter protection act fund created in section 13 of the fire safety standard and firefighter protection act, 2009 PA 56, MCL 29.503, shall be appropriated to be expended for the purposes provided for in the fire safety standard and firefighter protection act, 2009 PA 56, MCL 29.491 to 29.513. These funds are appropriated for expenditure when they are received.

Sec. 303. The funds collected by the department for licenses, permits, and other elevator regulation fees set forth in the Michigan administrative code and as determined under section 8 of 1976 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL 408.816, that are unexpended at the end of the fiscal year shall carry forward to the subsequent fiscal year.

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

Sec. 320. If the revenue collected by the department from licensing and regulation fees collected by the bureau of commercial services exceeds the amount expended from appropriations in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 321. The department may resume printing the real estate law and rules book (red book). The red book shall include, but is not limited to, real estate laws and regulations and related statutes. The red book will be provided at no charge to actively licensed real estate brokers, associate brokers, and salespersons. Any other party seeking a copy of the red book may purchase the book from the bureau of commercial services at the bureau's cost to produce the book or may print the bureau's Internet version of the red book at no cost.

Sec. 323. Of the funds appropriated in part 1 for the department, up to \$200,000.00 may be used for administration and enforcement of unarmed combat regulation in Michigan.

Sec. 330. Funds earned or authorized by the United States department of labor in excess of the gross appropriation in part 1 for the unemployment insurance agency and the employment service agency from the United States department of labor are appropriated and may be expended for staffing and related expenses incurred in the operation of its programs. These funds may be spent after the department notifies the state budget director and the subcommittees of the purpose and amount of each grant award.

Sec. 332. Not later than April 11, 2011, the department shall have a contract in place to modernize, improve, and integrate the unemployment insurance agency computer system.

Sec. 333. The department shall report quarterly to the members of the house and senate committees on appropriations, the fiscal agencies, and the state budget director on the percentage of unemployment claimants that meet the certification requirements for receiving benefits by using the Internet MARVIN system. The department shall implement improvements to the Internet MARVIN system that promote greater ease of access and security with a goal of reaching 50% of users certifying by using the Internet MARVIN system.

Sec. 340. MIOASHA shall provide an annual report by February 1 of each year to the state budget director, the fiscal agencies, and the subcommittees on the number of individuals killed and the number of individuals injured on the job within industries regulated by the bureau during the most recent year for which data are available.

Sec. 341. (1) Of the funds appropriated in part 1, no funds shall be used to support the development of, staffing of, or activities promoting the development of guidelines, rules, standards, protocols, or other similar mandates that are more stringent than federal voluntary ergonomics guidelines. This section does not prohibit any person from adopting, or working with the state to develop, voluntary ergonomics standards.

(2) On March 1 and September 1 of each year, the department shall provide a report to the fiscal agencies and subcommittees of any staffing time or activities regarding the development of a voluntary or mandatory, or both, ergonomic standard, whether contained in rules, guidelines, policy directives, or bulletins.

(3) The directions in this section are given in accordance with OAG, 2009, No. 7,225 (February 27, 2009).

Sec. 342. From the funds appropriated in part 1 for Michigan occupational safety and health consultation education and training (CET) grants, not less than \$80,000.00 shall be allocated to nonprofit organizations representing the aggregate industry in Michigan.

Sec. 350. In addition to the funds appropriated in part 1, funds collected by the department under sections 55, 57, 58, and 59 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.255, 24.257, 24.258, and 24.259, and section 203 of the legislative council act, 1986 PA 268, MCL 4.1203, are appropriated for all expenses necessary to provide for the cost of publication and distribution. The funds appropriated under this section are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 361. (1) The public service commission shall implement a process for the low-income energy efficiency fund grants that shall require an application deadline of May 1 and the award announcements on October 1 of each year.

(2) The public service commission shall report by November 1 to the subcommittees, the state budget office, and the fiscal agencies on the distribution of funds appropriated in part 1 for the low-income/energy efficiency assistance program.

(3) The funds collected from public utilities for low-income energy efficiency fund grants as provided under orders issued by the public service commission pursuant to 1939 PA 3, MCL 460.1 to 460.11, that are unexpended at the end of the fiscal year may carry forward to the subsequent fiscal year.

Sec. 368. No later than March 1, the department shall submit a report to the state budget office, the fiscal agencies, and the subcommittees, providing expenditure and revenue data and statistical data on licensing and regulatory activities of the bureau of commercial services and the bureau of construction codes during the previous fiscal year. To the extent possible, the data required shall be reported for each individual occupation, trade, or industry regulated.

Sec. 370. (1) Local units of government receiving liquor law enforcement grant funds in accordance with section 543 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1543, shall submit a report to the liquor control commission detailing the expenditures made by the local unit in enforcing the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1101 to 436.2303, and rules promulgated under that act. Local units shall also provide a report to the liquor control commission listing, for the local unit's most recently completed fiscal year, each liquor-related fee imposed by the local unit and the amount of revenue generated by each fee. Both reports required by this section shall be due to the liquor control commission not later than February 15.

(2) The liquor control commission shall provide a standard template for use by the local units of government when submitting a report to the commission.

(3) The liquor control commission shall provide a summary of the local reports to the house and senate chairpersons of the subcommittees, the fiscal agencies, and the state budget director by March 31.

Sec. 371. (1) From the funds appropriated in part 1 for liquor licensing and enforcement, the liquor control commission shall coordinate its investigation and enforcement activities concerning the illegal sale, delivery, and importation of spirits with the investigation and enforcement activities of the department of state police concerning tobacco taxes and other illegal cash transactions.

(2) The commission shall provide an annual report to the subcommittees, the fiscal agencies, and the state budget office summarizing its investigation and enforcement activities concerning the illegal sale, delivery, and importation of spirits. As the commission considers appropriate, the report may include information concerning the number and value of products seized, the number of arrests, the amount of penalties imposed, and the amount of additional taxes imposed and collected.

## **OFFICE OF FINANCIAL AND INSURANCE REGULATION**

Sec. 401. In addition to the funds appropriated in part 1, the funds collected by the office of financial and insurance regulation in connection with a conservatorship pursuant to section 32 of the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1682, shall be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 402. In addition to the funds appropriated in part 1, the funds collected by the department from corporations being liquidated pursuant to the insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302, shall be appropriated for all expenses necessary to provide for the required services. These funds are appropriated for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 403. (1) The department shall allocate funds to promote awareness of the right of a policyholder, subscriber, member, enrollee, or other individual participating in a health benefit plan, after the covered person has exhausted the health carrier's internal grievance process provided for by law, to request an external review for an adverse determination.

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

## **MICHIGAN REHABILITATION SERVICES AND MICHIGAN COMMISSION FOR THE BLIND**

Sec. 601. The Michigan career and technical institute may receive equipment and in-kind contributions for the direct support of staff services through the Pine Lake fund, the Delton-Kellogg school district or other local or intermediate school district, or any combination of local or intermediate school districts in addition to those authorized in part 1.

Sec. 602. The Michigan rehabilitation service shall make every effort to ensure that all sources of matching funds in this state are used to obtain federal vocational rehabilitation funds. All sources include, but are not limited to, privately raised funds to support public nonprofit rehabilitation centers as permitted by the rehabilitation act of 1973, Public Law 93-112.

Sec. 603. The local match requirements for vocational rehabilitation facilities establishment grants shall not exceed 21.3% for the fiscal year ending September 30.

Sec. 604. All funds appropriated in part 1 for independent living shall be used for the support of centers for independent living in compliance with federal rules and regulations for such centers, by existing centers in serving underserved areas, and for projects to build capacity of centers to deliver independent living services. Applications for such funds shall be reviewed in accordance with criteria and procedures established by the department. Funds must be used in a manner consistent with the state plan for independent living.

Sec. 610. (1) The appropriation in part 1 for the Michigan commission for the blind includes funds for case services. These funds may be used for tuition payments for blind clients.

(2) Revenue collected by the Michigan commission for the blind and from private and local sources that is unexpended at the end of the fiscal year may carry forward to the subsequent fiscal year.

Sec. 611. The Michigan commission for the blind shall work collaboratively with service organizations and government entities to identify qualified match dollars to maximize use of available federal funds.

Sec. 612. The youth low-vision program is considered the payer of last resort. Other available public or private insurance coverage, including Medicaid or MICHild, and special education funds, shall be exhausted prior to using any funds appropriated in part 1 to purchase low-vision devices or equipment for an individual.

Sec. 613. (1) The funds appropriated in part 1 for a regional or subregional library shall not be released until a budget for that regional or subregional library has been approved by the department for expenditures for library services directly serving the blind and persons with disabilities.

(2) In order to receive subregional state aid as appropriated in part 1, a regional or subregional library's fiscal agency shall agree to maintain local funding support at the same level in the current fiscal year as in the fiscal agency's preceding fiscal year. If a reduction in expenditures equally affects all agencies in a local unit of government that is the regional or subregional library's fiscal agency, that reduction shall not be interpreted as a reduction in local support and shall not disqualify a regional or subregional library from receiving state aid under part 1. If a reduction in income

affects a library cooperative or district library that is a regional or subregional library's fiscal agency or a reduction in expenditures for the regional or subregional library's fiscal agency, a reduction in expenditures for the regional or subregional library shall not be interpreted as a reduction in local support and shall not disqualify a regional or subregional library from receiving state aid under part 1.

Sec. 615. The department may provide and enter into agreements to provide general services, training, meetings, information, special equipment, software, facility use, and technical consulting services to other principal executive departments, state agencies, local units of government, the judicial branch of government, other organizations, and patrons of department facilities. The department may charge fees for these services that are reasonably related to the cost of providing the services. In addition to the funds appropriated in part 1, funds collected by the department for these services are appropriated for all expenses necessary. The funds appropriated under this section are allotted for expenditure when they are received by the department of treasury.

## **CAREER EDUCATION**

Sec. 701. From the appropriations in part 1, the department is appropriated an amount not to exceed \$100,000.00 from collection of defaulted loans under the future faculty program in the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks programs to offset costs of administering the loan collections.

Sec. 704. (1) The department shall collaborate with the state board of education, the department of human services, and the department of community health, to extend the duration of the Michigan after-school partnership, and oversee its efforts to implement the policy recommendations and strategic next steps identified in the Michigan after-school initiative's report of December 15, 2003.

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

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

Sec. 710a. From the funds appropriated in part 1 for workforce programs subgrantees, the department may allocate funding for grants to nonprofit organizations that offer programs to WIA-eligible youth focusing on entrepreneurship, work-readiness skills, job shadowing, and financial literacy. Organizations eligible for funding under this section must have the capacity to provide similar programs in urban areas, as determined by the United States bureau of the census according to the most recent federal decennial census. Additionally, programs eligible for funding under this section must include the participation of local business partners. The department shall develop other appropriate eligibility requirements to ensure compliance with applicable federal rules and regulations.

Sec. 719. From the funds appropriated in part 1, the department may allocate no more than \$100,000.00 for the Michigan talent bank for a customized career center. The career center will be used to enhance the Michigan talent bank for job seekers and job providers and to increase the opportunities for job seekers in gaining employment. The career center shall use real-time data for job opportunities and shall use technology that will also provide users with job opportunities that match a job seeker's resume. The center shall be serviced by a Michigan-based customer service center and shall also contain a mobile component to allow for job searches on personal digital assistance or smart phone devices.

Sec. 733. The department shall publish the "activities classification structure data book" for Michigan community colleges on or before March 1.

Sec. 734. The department shall compile the information received from community colleges on North American Indian tuition waivers granted pursuant to 1976 PA 174, MCL 390.1251 to 390.1253, and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the fiscal agencies, and the state budget director by February 15.

Sec. 735. The department shall compile the information received from community colleges on the number and types of associate degrees and other certificates awarded during the previous fiscal year and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the fiscal agencies, and the state budget director by January 7.

## **WORKFORCE DEVELOPMENT**

Sec. 801. The department shall administer the jobs, education, and training program in accordance with the requirements of section 407(d) of title IV of the social security act, 42 USC 607, the state social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and all other applicable laws and regulations.

Sec. 802. (1) Using all relevant state data sources, the department shall conduct a 3-year longitudinal study of all former work first and jobs, education, and training participants, whose department of human services program cases closed due to earnings during fiscal year 1999 and in succeeding fiscal years. The data will include the following:

- (a) The number and percentage employed.
  - (b) The average hourly wage of those employed.
  - (c) The range of wages earned by those employed.
  - (d) The number and percentage receiving health care benefits from their employer.
  - (e) The type of jobs obtained by former participants in general categories.
  - (f) The length of time former participants have retained their jobs, or if participants have had more than 1 job, the length of time employed at each job.
  - (g) The number and percentage continuing to receive any type of public assistance.
- (2) The department shall notify the subcommittees, fiscal agencies, and state budget director electronically by March 15 of the location of the Internet site where the report containing the identified data is located.
- (3) The department shall cooperate with the department of human services in formulating and acquiring the identified data.
- (4) The department may retain a third party to conduct the studies to obtain the data identified under this section.

Sec. 810. State and federal funds allocated to local workforce development boards for disbursement shall not be expended unless the local workforce development boards maintain a partnership with governmental agencies, public school districts, and public colleges located within the local service delivery area. Each board shall appoint an education advisory group made up of high-level administrators within local educational institutions, workforce development board members, other employers, labor, academic educators, parents of public school pupils, and, at the board's discretion, representatives of organizations that provide school-based curriculum and youth programs focusing on entrepreneurship, work-readiness skills, and financial literacy.

Sec. 811. (1) The department shall make available, in person or by telephone, 1 disabled veterans outreach program specialist or local veterans employment representative to Michigan works! service centers, as resources permit, during hours of operation.

(2) The department shall ensure that each Michigan works! service center shall have the necessary equipment to allow the disabled veterans outreach specialist or local veterans employment representative to perform his or her duties.

(3) The department shall require each Michigan works! service center to have an employee available to ask each individual who requires intensive services beyond core services, as defined by section 134 of the workforce investment act of 1998, 29 USC 2864, whether that individual is a veteran. The employee shall refer any veteran needing or requesting veterans services to the disabled veterans outreach program specialist or local veterans employment representative assigned to the center.

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

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

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

Sec. 812. (1) In addition to the funds appropriated in part 1, any unencumbered and unrestricted federal workforce investment act or trade adjustment assistance funds available from prior fiscal years are appropriated for the purposes originally intended.

(2) The department shall report by January 15 to the subcommittees, the fiscal agencies, and the state budget office on the amount by fiscal year of federal workforce investment act funds appropriated under this section.

Sec. 813. Of the funds appropriated in part 1 for workforce training program subgrantees, up to \$200,000.00 shall be allocated for grants to 2 workforce development programs, meeting the following criteria:

(a) Up to \$100,000.00 shall be allocated to 1 nonprofit organization to expand an existing innovative, employer-led, public/private workforce development program. Grant funds may be used for program operating expenses such as staffing, rent, equipment, and other expenses. To be eligible for funding under this subdivision, a program must meet the following criteria:

(i) Provide program participants with early intervention services that promote employment stabilization and alleviate barriers to job attainment, retention, or advancement, including assistance with transportation, language barriers, child care, housing, and facilitating access to services available through public agencies and community-based organizations.

(ii) Provide program participants with training in basic job skills, basic life skills, and career exploration.

(iii) Provide program participants with opportunities for advancement within the network of partnering employers by facilitating incumbent worker training programs.

(iv) Demonstrate a quantifiable return on investment for participating employers, as evidenced by costs savings achieved through pooled training/workforce development activities, and increases in employee retention, attendance, satisfaction, and productivity.

(v) Have a regional impact across more than 3 counties.

(b) Up to \$100,000.00 shall be allocated to 1 nonprofit organization to expand an existing workforce development program operated collaboratively with local businesses and educational institutions to link unemployed and dislocated workers with new market industries and to spur the development of small businesses. To be eligible for funding under this subdivision, a program must meet the following criteria:

(i) Provide low-wage, unemployed, and dislocated workers assistance in developing career pathways that provide education and career options for program participants to meet the workforce needs of new markets and in-demand occupations.

(ii) Provide educational programs and seminars that provide an introduction to the values and basic entrepreneurial skills necessary to successfully start a new business.

(iii) Provide programs that provide business incubation and support services, including entrepreneurial education and access to capital.

(iv) Provide program participants with job placement assistance, including on-the-job training, apprenticeships, and internships.

Sec. 815. Local Michigan works! agencies may utilize a portion of the funds received under part 1 for services provided by local libraries that serve as access points, service centers, or local partners serving high-demand service areas or underserved areas.

Sec. 816. From the funds appropriated in part 1 in the line item for workforce training programs subgrantees, not less than \$5,860,200.00 of federal funds shall be allocated to Focus: HOPE.

Sec. 817. It is the intent of the legislature that a portion of the workforce investment act, statewide activities funds be allocated to support coordinated efforts between local Michigan works! agencies and police and sheriff departments to create programs that offer gang diversion activities and support services to at-risk youth in Wyoming, Benton Harbor, Saginaw, Mt. Morris Charter Township, and Detroit.

Sec. 818. From the funds appropriated in part 1 for workforce training program subgrantees, \$150,000.00 may be allocated for not more than 1 grant for a job training and job preparation program that meets the following criteria:

(a) Involves prospective employers as community partners.

(b) Retrains displaced workers for health care industry jobs including pharmacy technician and medical coding in programs that require participants to complete at least 90 hours of field experience.

(c) Provides training at either no cost to participants or at a cost to participants of not more than 25% of the per student cost of offering the training program.

(d) Demonstrates a placement rate of 80% or more.

Sec. 821. (1) From the appropriation in part 1 for the Michigan nursing corps, grants shall be awarded to Michigan institutions of higher education consisting of public 4-year institutions, public 2-year institutions, independent colleges and universities, and tribally controlled community colleges with existing, accredited nursing baccalaureate or postgraduate education programs. The purpose of the grants is to prepare registered nurses and increase the number of nursing faculty. The department may also award grants on a cash or in-kind matching basis to licensed hospitals that agree to provide nurse educators and related clinical training to additional student nurses in partnership with institutions of higher education described in this subsection. Awards shall be made in a manner and form as determined by the department, in collaboration with the department of community health.

(2) One or more grants may be awarded to educational institutions for preparation of additional nurse faculty in programs that meet 1 or more of the following:

(a) Preparation of master's-degreed nursing faculty in a nationally accredited, accelerated program. Grants for this program may include program tuition, a stipend for student living expenses, and other education-related costs.

(b) Preparation of doctoral-degreed nursing faculty in an accelerated program within an existing, accredited doctor of philosophy in nursing program or doctorate of nursing practice program. Participants must be currently enrolled doctoral students who will be able to complete their doctoral degree program within 2 years. Grants for this program may include program tuition, a stipend for student living expenses, and other education-related costs.

(c) Preparation of clinical instructors for nursing education programs. The program shall include classroom instruction plus a practicum with students and patients. This program shall require collaborative agreements between nursing education programs and hospitals. It is expected that each graduate will provide clinical instruction for at least 1 cohort of nursing students per year.

(3) A program receiving a grant under subsection (2) shall provide that eligible participating students under subsection (2) are registered nurses willing to participate full-time in accredited programs and become employed in Michigan as nursing faculty or clinical instructors for a minimum number of years, as determined by the department of community health, upon completion of the program. The department of community health shall establish procedures for recovery of funds from students who do not remain employed in Michigan for the prescribed time period.

(4) One or more grants may be awarded for preparation of registered nurses in accredited, accelerated bachelor's in nursing programs. These programs shall be targeted toward Michigan workers who have been displaced from employment and who possess a bachelor's degree in a science-related area. Grants for this program may include program tuition, a stipend for student living expenses, and other education-related costs.

(5) One or more grants may be awarded to health care research, training, or development agencies for the purpose of development, implementation, or training related to educational technologies, including simulation or other virtual educational methods for the purpose of building capacity to educate a continuous supply of nurses for Michigan's workforce.

(6) Program management, data management, and evaluation for these projects shall be the responsibility of the department of community health, in collaboration with the department.

(7) The department and the department of community health shall work to increase the amount of federal funds for nurse education available to the state, eligible grantees described in subsection (1), and nursing students.

(8) The funds appropriated in part 1 for the Michigan nursing corps are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered and unexpended funds shall continue to be available for the expenditure of grants until the project has been completed. The total cost of the work project is estimated at \$500,000.00 and the tentative completion date is September 30, 2012. These funds shall be used in accordance with the requirements of the workforce investment act of 1998, Public Law 105-220.

Sec. 830. (1) Of the funds appropriated in part 1 for the workforce training programs subgrantees, the department shall provide a report by December 15 to the house and senate chairs of the subcommittees, the state budget director, and the fiscal agencies on the status of the no-worker-left-behind program. The report shall include the following:

(a) The amount of funding allocated to each Michigan works! agency and the total funding allocated to the no-worker-left-behind program statewide by fund source.

(b) The number of participants enrolled in the program by each Michigan works! agency.

(c) The average duration of training for program participants by each Michigan works! agency.

(d) The number of participants enrolled in remedial education programs and the number of participants enrolled in literacy programs.

(e) The number of participants enrolled in programs at 2-year institutions.

(f) The number of participants enrolled in 4-year institutions.

(g) The number of participants enrolled in proprietary schools or other technical training programs.

(h) The number of participants that have completed education or training programs.

(i) The number of participants who secured employment in Michigan within 1 year of completing a no-worker-left-behind training program.

(j) The number of participants who completed a no-worker-left-behind training program and secured employment in a field related to their training.

(k) The average wage earned by participants who completed a no-worker-left-behind training program and secured employment within 1 year.

(2) Data collection for the report shall be for the period October 1, 2010 through September 30, 2011.

Sec. 832. The department shall ensure that school districts and career preparation programs operated by school districts are eligible education providers under the no-worker-left-behind program and programs funded by the federal workforce investment act.

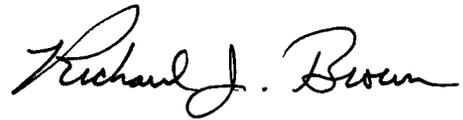
**CAPITAL OUTLAY**

Sec. 901. (1) The director shall allocate lump-sum appropriations made in this act consistent with statutory provisions and the purposes for which funds were appropriated. Lump-sum allocations shall address priority program or facility needs and may include, but are not limited to, design, construction, remodeling and addition, special maintenance, major special maintenance, energy conservation, and demolition.

(2) The state budget director may authorize that funds appropriated for lump-sum appropriations shall be available for no more than 3 fiscal years following the fiscal year in which the original appropriation was made. Any remaining balance from allocations made in this section shall lapse to the fund from which it was appropriated pursuant to the lapsing of funds as provided in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 902. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with the provisions of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor





STATE OF MICHIGAN  
OFFICE OF THE GOVERNOR  
LANSING

JENNIFER M. GRANHOLM  
GOVERNOR

JOHN D. CHERRY, JR.  
LT. GOVERNOR

September 30, 2010

Michigan House of Representatives  
State Capitol  
Lansing, Michigan 48933

Ladies and Gentlemen:

Today I have signed Enrolled House Bill 5884 providing over \$1.2 billion in appropriations for the Department of Energy, Labor, and Economic Growth for the fiscal year ending September 30, 2011. I have, however, disapproved items pursuant to Section 19 of Article V of the Michigan Constitution of 1963. The item vetoes are detailed in the attached copy of the bill, which has been filed with the Secretary of State.

I have disapproved proposed appropriations totaling \$355,000 for an occupational safety training grant, an allocation for the Michigan After-School Partnership, and two workforce development grants under Sections 342, 704, 719, and 818 of the bill. These earmarks would undermine the Department's competitive process for awarding grants and impede the prioritization of workforce training funds needed to help improve the job skills of displaced workers.

To provide direction regarding the implementation of this appropriations act, I note the following:

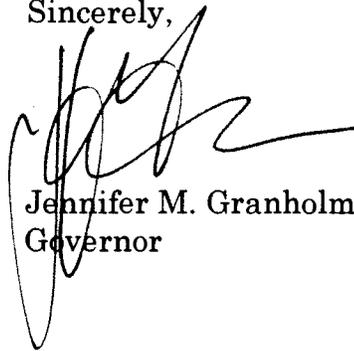
- Consistent with my duty to assure that laws are faithfully executed under Section 8 of Article V of the Michigan Constitution of 1963, when a governor is concerned that a provision in an appropriations bill is unconstitutional, it is appropriate to express that concern. See, for example, OAG, 2009-2010, No 7225 (February 27, 2009). A governor has no less a solemn obligation than does the judiciary to consider the constitutionality of his or her every act. Accordingly, to the extent that Section 341 of the bill modifies or amends the provisions of the Michigan Occupational Safety and Health Act, 1974 PA 154, MCL 408.1001 to 408.1094, this section is in contravention of Section 25 of Article IV of the Michigan Constitution of 1963 and unenforceable.
- Section 332 of the bill requires the department to complete a contracting process related to the unemployment insurance computer system by April 11, 2011. This condition cannot be imposed on the department given that existing law vests

Michigan House of Representatives  
September 30, 2010  
Page 2

such procurement authority in the Department of Technology, Management and Budget.

I thank the Legislature for its work on this budget for the Department of Energy, Labor, and Economic Growth.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jennifer M. Granholm', written over a large, faint, circular watermark or stamp.

Jennifer M. Granholm  
Governor

c: Michigan Senate  
The Honorable Terri Lynn Land, Secretary of State

# **GENERAL GOVERNMENT**



Act No. 191  
Public Acts of 2010  
Approved by the Governor\*  
September 30, 2010  
Filed with the Secretary of State  
September 30, 2010  
EFFECTIVE DATE: September 30, 2010

\*Item Vetoes

**Sec. 314.**  
Entire Section. (Page 21)

**STATE OF MICHIGAN  
95TH LEGISLATURE  
REGULAR SESSION OF 2010**

Introduced by Rep. Durhal

# ENROLLED HOUSE BILL No. 5880

AN ACT to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, state, technology, management, and budget, and treasury, the executive office, and the legislative branch for the fiscal years ending September 30, 2010 and September 30, 2011; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the departments of attorney general, civil rights, state, technology, management, and budget, and treasury, the executive office, the legislative branch, and certain other state purposes, for the fiscal year ending September 30, 2011, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**TOTAL GENERAL GOVERNMENT  
APPROPRIATION SUMMARY**

Full-time equated unclassified positions .....	43.0	
Full-time equated classified positions .....	7,666.2	
GROSS APPROPRIATION .....		\$ 3,321,660,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		644,781,100
ADJUSTED GROSS APPROPRIATION .....		\$ 2,676,879,000
Federal revenues:		
Total federal revenues .....		277,499,300
Special revenue funds:		
Total local revenues.....		3,434,400
Total private revenues.....		1,414,500
Total other state restricted revenues .....		1,804,038,200
State general fund/general purpose .....		\$ 590,492,600

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

**(1) APPROPRIATION SUMMARY**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	514.0	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 73,413,100</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		21,300,300
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 52,112,800</b>
Federal revenues:		
Total federal revenues .....		8,565,700
Special revenue funds:		
Total local revenues.....		0
Total private revenues .....		0
Total other state restricted revenues .....		14,987,700
State general fund/general purpose .....		<b>\$ 28,559,400</b>

**(2) ATTORNEY GENERAL OPERATIONS**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	514.0	
Attorney general.....		<b>\$ 115,800</b>
Unclassified positions—5.0 FTE positions.....		476,300
Attorney general operations—477.0 FTE positions.....		66,953,100
Child support enforcement—25.0 FTE positions.....		2,959,700
Prosecuting attorneys coordinating council—12.0 FTE positions.....		<u>2,032,100</u>
<b>GROSS APPROPRIATION .....</b>		<b>\$ 72,537,000</b>

Appropriated from:

Interdepartmental grant revenues:		
IDG from MDCH, health services .....		1,968,700
IDG from MDCH, WIC .....		73,500
IDG from department of corrections .....		503,800
IDG from MDE .....		302,500
IDG from MDELEG, career education services.....		196,100
IDG from MDELEG, children's protection registry .....		39,100
IDG from MDELEG, financial and insurance services .....		1,101,900
IDG from MDELEG, licensing and regulation fees.....		188,700
IDG from MDELEG, Michigan occupational safety and health administration.....		100,800
IDG from MDELEG, Michigan state housing development authority .....		515,700
IDG from MDELEG, remonumentation fees .....		81,100
IDG from MDHS .....		3,452,400
IDG from MDMVA .....		125,500
IDG from MDNRE.....		1,830,400
IDG from MDOT, comprehensive transportation fund.....		169,100
IDG from MDOT, state aeronautics fund.....		165,900
IDG from MDOT, state trunkline fund.....		2,817,500
IDG from MDSP .....		307,600
IDG from MDSP, Michigan justice training fund .....		325,000
IDG from MDTMB .....		198,600
IDG from MDTMB, civil service commission.....		300,600
IDG from MDTMB, risk management revolving fund .....		1,417,100
IDG from treasury .....		4,982,500
IDG from treasury, Michigan strategic fund .....		136,200
Federal revenues:		
DAG, state administrative match grant/food stamps .....		413,300
Federal funds.....		2,591,600
HHS, medical assistance, medigrant.....		645,100
HHS-OS, state Medicaid fraud control units.....		4,815,700
National criminal history improvement program .....		100,000

Special revenue funds:	
Antitrust enforcement collections .....	\$ 656,600
Assigned claims assessments .....	126,800
Attorney general's operations fund .....	940,900
Auto repair facilities fees .....	249,300
Franchise fees .....	316,500
Game and fish protection fund .....	797,100
Liquor purchase revolving fund .....	1,112,600
Manufactured housing fees .....	207,400
Merit award trust fund .....	408,600
Michigan employment security act - administrative fund .....	1,704,500
Prisoner reimbursement .....	491,700
Prosecuting attorneys training fees .....	375,000
Public utility assessments .....	1,802,700
Real estate enforcement fund .....	549,100
Reinstatement fees .....	167,500
Retirement funds .....	794,300
Second injury fund .....	1,050,700
Self-insurers security fund .....	173,300
Silicosis and dust disease fund .....	533,000
State building authority revenue .....	104,200
State casino gaming fund .....	1,179,000
State lottery fund .....	263,100
Utility consumers fund .....	595,400
Waterways fund .....	106,600
Worker's compensation administrative revolving fund .....	281,800
State general fund/general purpose .....	\$ 27,683,300

**(3) INFORMATION TECHNOLOGY**

Information technology services and projects .....	\$ 876,100
<b>GROSS APPROPRIATION</b> .....	<b>\$ 876,100</b>
Appropriated from:	
State general fund/general purpose .....	\$ 876,100

**Sec. 103. DEPARTMENT OF CIVIL RIGHTS**

**(1) APPROPRIATION SUMMARY**

Full-time equated unclassified positions .....	5.0
Full-time equated classified positions .....	113.0
<b>GROSS APPROPRIATION</b> .....	<b>\$ 12,778,700</b>
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	0
<b>ADJUSTED GROSS APPROPRIATION</b> .....	<b>\$ 12,778,700</b>

Federal revenues:

Total federal revenues .....	1,750,000
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Special revenue funds:

Total local revenues .....	0
Total private revenues .....	0
Total other state restricted revenues .....	53,000
State general fund/general purpose .....	\$ 10,975,700

**(2) CIVIL RIGHTS OPERATIONS**

Full-time equated unclassified positions .....	5.0
Full-time equated classified positions .....	113.0
Unclassified positions—5.0 FTE positions .....	\$ 267,100
Civil rights operations—113.0 FTE positions .....	11,789,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 12,056,100</b>

Appropriated from:

Federal revenues:

EEOC, state and local antidiscrimination agency contracts .....	885,000
HUD, grant .....	850,000

Special revenue funds:		
State restricted indirect funds .....	\$	53,000
State general fund/general purpose .....	\$	10,268,100
<b>(3) INFORMATION TECHNOLOGY</b>		
Information technology services and projects.....	\$	722,600
GROSS APPROPRIATION .....	\$	722,600
Appropriated from:		
Federal revenues:		
EEOC, state and local antidiscrimination agency contracts.....		15,000
State general fund/general purpose .....	\$	707,600

**Sec. 104. EXECUTIVE OFFICE**

**(1) APPROPRIATION SUMMARY**

Full-time equated unclassified positions .....		10.0
Full-time equated classified positions .....		74.2
GROSS APPROPRIATION .....	\$	4,630,800
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	4,630,800
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues.....		0
Total private revenues .....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	4,630,800

**(2) EXECUTIVE OFFICE OPERATIONS**

Full-time equated unclassified positions .....		10.0
Full-time equated classified positions .....		74.2
Governor.....	\$	169,600
Lieutenant governor .....		118,700
Executive office—74.2 FTE positions.....		3,492,700
Unclassified positions—8.0 FTE positions.....		849,800
GROSS APPROPRIATION .....	\$	4,630,800
Appropriated from:		
State general fund/general purpose .....	\$	4,630,800

**Sec. 105. LEGISLATURE**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	102,334,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		250,000
ADJUSTED GROSS APPROPRIATION .....	\$	102,084,100
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues.....		0
Total private revenues .....		400,000
Total other state restricted revenues .....		1,109,800
State general fund/general purpose .....	\$	100,574,300

**(2) LEGISLATURE**

Senate .....	\$	25,504,300
Senate automated data processing .....		2,203,200
Senate fiscal agency .....		2,781,900
House of representatives .....		40,241,100
House automated data processing.....		1,749,800
House fiscal agency .....		2,781,900
GROSS APPROPRIATION .....	\$	75,262,200

Appropriated from:		
State general fund/general purpose .....	\$	75,262,200
<b>(3) LEGISLATIVE COUNCIL</b>		
Legislative council .....	\$	8,791,300
Legislative service bureau automated data processing .....		1,188,000
Worker's compensation .....		133,000
National association dues .....		148,900
Legislative corrections ombudsman .....		619,700
GROSS APPROPRIATION .....	\$	10,880,900
Appropriated from:		
Interdepartmental grant revenues:		
IDG from Michigan department of corrections .....		250,000
Special revenue funds:		
Private - gifts and bequests revenues .....		400,000
State general fund/general purpose .....	\$	10,230,900
<b>(4) LEGISLATIVE RETIREMENT SYSTEM</b>		
General nonretirement expenses .....	\$	4,397,700
GROSS APPROPRIATION .....	\$	4,397,700
Appropriated from:		
Special revenue funds:		
Court fees .....		1,109,800
State general fund/general purpose .....	\$	3,287,900
<b>(5) PROPERTY MANAGEMENT</b>		
Capitol building .....	\$	2,552,800
Cora Anderson building .....		7,424,800
Farnum building and other properties .....		1,815,700
GROSS APPROPRIATION .....	\$	11,793,300
Appropriated from:		
State general fund/general purpose .....	\$	11,793,300
 <b>Sec. 106. LEGISLATIVE AUDITOR GENERAL</b>		
<b>(1) APPROPRIATION SUMMARY</b>		
GROSS APPROPRIATION .....	\$	14,996,400
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		2,301,500
ADJUSTED GROSS APPROPRIATION .....	\$	12,694,900
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues .....		0
Total private revenues .....		0
Total other state restricted revenues .....		1,539,900
State general fund/general purpose .....	\$	11,155,000
<b>(2) OFFICE OF THE AUDITOR GENERAL</b>		
Unclassified positions .....	\$	313,500
Field operations .....		14,682,900
GROSS APPROPRIATION .....	\$	14,996,400
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDELEG, liquor purchase revolving fund .....		11,300
IDG from MDOC .....		500,000
IDG from MDOT, comprehensive transportation fund .....		25,200
IDG from MDOT, Michigan transportation fund .....		204,300
IDG from MDOT, state aeronautics fund .....		19,600
IDG from MDTMB, civil service commission .....		107,900
IDG from MDOT, state trunkline fund .....		474,600
IDG, single audit act .....		958,600

Special revenue funds:	
21st century jobs trust fund .....	\$ 50,000
Clean Michigan initiative implementation bond fund .....	38,300
Commercial mobile radio system emergency telephone fund .....	38,300
Contract audit administration fees .....	53,900
Correctional industries revolving fund .....	32,000
Fee adequacy, air quality delegated authority .....	9,600
Game and fish protection fund .....	22,000
Legislative retirement system .....	19,100
Michigan economic development corporation .....	54,400
Michigan education trust fund .....	30,700
Michigan justice training commission fund .....	28,700
Michigan state housing development authority fees .....	22,600
Michigan strategic fund .....	89,000
Michigan tobacco settlement authority .....	27,000
Michigan veterans' trust fund .....	24,900
Motor transport revolving fund .....	5,200
Office services revolving fund .....	6,900
State disbursement unit, office of child support .....	27,600
State services fee fund .....	952,100
Waterways fund .....	7,600
State general fund/general purpose .....	\$ 11,155,000

**Sec. 107. DEPARTMENT OF STATE**

**(1) APPROPRIATION SUMMARY**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	1,809.0	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 213,520,400</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		20,000,000
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 193,520,400</b>
Federal revenues:		
Total federal revenues .....		1,810,000
Special revenue funds:		
Total local revenues .....		0
Total private revenues .....		100
Total other state restricted revenues .....		177,799,500
State general fund/general purpose .....		\$ 13,910,800

**(2) EXECUTIVE DIRECTION**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	30.0	
Secretary of state .....		\$ 115,800
Unclassified positions—5.0 FTE positions .....		453,200
Operations—30.0 FTE positions .....		3,127,100
<b>GROSS APPROPRIATION .....</b>		<b>\$ 3,696,100</b>
Appropriated from:		
Special revenue funds:		
Auto repair facilities fees .....		60,500
Driver fees .....		222,400
Expedient service fees .....		58,500
Parking ticket court fines .....		8,300
Personal identification card fees .....		13,800
Reinstatement fees - operator licenses .....		155,400
Transportation administration collection fund .....		2,069,100
Vehicle theft prevention fees .....		35,600
State general fund/general purpose .....		\$ 1,072,500

**(3) DEPARTMENT SERVICES**

Full-time equated classified positions.....	159.0	
Operations—152.0 FTE positions.....		\$ 22,984,500
Assigned claims assessments—7.0 FTE positions.....		946,600
<b>GROSS APPROPRIATION</b> .....		<b>\$ 23,931,100</b>
Appropriated from:		
Special revenue funds:		
Abandoned vehicle fees .....		468,600
Assigned claims assessments .....		946,600
Auto repair facilities fees .....		415,000
Child support clearance fees.....		34,300
Driver fees .....		920,200
Driver improvement course fund .....		300,000
Expedient service fees.....		256,800
Marine safety fund .....		79,600
Off-road vehicle title fees .....		8,000
Parking ticket court fines.....		52,700
Personal identification card fees .....		88,600
Reinstatement fees - operator licenses.....		569,000
Scrap tire fund .....		72,900
Snowmobile registration fee revenue .....		18,100
Transportation administration collection fund.....		18,804,600
Vehicle theft prevention fees.....		243,400
State general fund/general purpose .....		\$ 652,700

**(4) REGULATORY SERVICES**

Full-time equated classified positions.....	210.5	
Operations—208.5 FTE positions .....		\$ 22,185,000
County clerk education and training.....		100,000
Motorcycle safety education administration—2.0 FTE positions .....		307,100
Motorcycle safety education grants .....		1,500,000
<b>GROSS APPROPRIATION</b> .....		<b>\$ 24,092,100</b>
Appropriated from:		
Special revenue funds:		
Auto repair facilities fees .....		4,144,800
Driver education provider and instructor fund.....		72,900
Driver fees .....		2,688,200
Expedient service fees.....		35,200
Motorcycle safety fund .....		1,807,100
Notary education and training fund.....		100,000
Notary fee fund.....		314,000
Parking ticket court fines.....		20,700
Personal identification card fees .....		52,400
Reinstatement fees - operator licenses.....		1,872,300
Transportation administration collection fund.....		10,921,800
Vehicle theft prevention fees.....		1,330,900
State general fund/general purpose .....		\$ 731,800

**(5) CUSTOMER DELIVERY SERVICES**

Full-time equated classified positions.....	1,373.5	
Branch operations—931.5 FTE positions .....		\$ 75,944,000
Central operations—415.0 FTE positions .....		44,156,100
Commemorative license plates—24.0 FTE positions .....		2,147,300
Specialty license plates—3.0 FTE positions .....		1,922,000
Credit and debit assessment service fees .....		1,000,000
Olympic center plate .....		75,700
Organ donor program .....		79,100
<b>GROSS APPROPRIATION</b> .....		<b>\$ 125,324,200</b>
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDOT, Michigan transportation fund .....		20,000,000

Federal revenues:	
Federal funds.....	\$ 1,460,000
Special revenue funds:	
Private funds .....	100
Abandoned vehicle fees .....	197,600
Auto repair facilities fees .....	93,100
Child support clearance fees.....	295,500
Credit and debit assessment service fees .....	1,000,000
Driver fees .....	23,934,800
Driver improvement course fund .....	1,200,000
Enhanced driver license and enhanced official state personal identification card fund .....	4,226,700
Expedient service fees.....	2,465,200
Marine safety fund .....	1,269,800
Michigan state police auto theft fund.....	118,900
Mobile home commission fees.....	476,000
Off-road vehicle title fees .....	136,800
Parking ticket court fines.....	1,490,500
Personal identification card fees .....	1,691,400
Recreation passport fee revenue .....	1,000,000
Reinstatement fees - operator licenses.....	1,264,900
Snowmobile registration fee revenue .....	348,100
Transportation administration collection fund.....	60,934,500
Vehicle theft prevention fees.....	209,500
State general fund/general purpose .....	\$ 1,510,800
<b>(6) ELECTION REGULATION</b>	
Full-time equated classified positions.....	36.0
Election administration and services—36.0 FTE positions .....	\$ 5,137,700
Fees to local units.....	109,800
Help America vote act .....	350,000
<b>GROSS APPROPRIATION .....</b>	<b>\$ 5,597,500</b>
Appropriated from:	
Federal revenues:	
Federal Funds - HAVA HHS.....	350,000
State general fund/general purpose .....	\$ 5,247,500
<b>(7) DEPARTMENTWIDE APPROPRIATIONS</b>	
Building occupancy charges/rent .....	\$ 10,060,500
Worker's compensation .....	284,500
<b>GROSS APPROPRIATION .....</b>	<b>\$ 10,345,000</b>
Appropriated from:	
Special revenue funds:	
Auto repair facilities fees .....	135,300
Driver fees .....	763,700
Expedient service fees.....	26,000
Parking ticket court fines.....	447,800
Transportation administration collection fund.....	5,925,000
State general fund/general purpose .....	\$ 3,047,200
<b>(8) INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ 20,534,400
<b>GROSS APPROPRIATION .....</b>	<b>\$ 20,534,400</b>
Appropriated from:	
Special revenue funds:	
Administrative order processing fee.....	11,100
Auto repair facilities fees .....	179,300
Child support clearance fees.....	16,200
Driver fees .....	743,000
Expedient service fees.....	1,024,500
Parking ticket court fines.....	82,600
Personal identification card fees .....	98,300

For Fiscal Year  
Ending Sept. 30,  
2011

Reinstatement fees - operator licenses.....	\$	509,300
Transportation administration collection fund.....		16,051,000
Vehicle theft prevention fees.....		170,800
State general fund/general purpose .....	\$	1,648,300

**Sec. 108. DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET**

**(1) APPROPRIATION SUMMARY**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions.....	2,966.5	
GROSS APPROPRIATION .....		\$ 974,362,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		586,552,900
ADJUSTED GROSS APPROPRIATION .....		\$ 387,809,300
Federal revenues:		
Total federal revenues .....		2,682,000
Special revenue funds:		
Total local revenues.....		1,380,400
Total private revenues.....		170,800
Total other state restricted revenues .....		83,827,300
State general fund/general purpose .....		\$ 299,748,800

**(2) EXECUTIVE DIRECTION**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions.....	14.0	
Unclassified positions—6.0 FTE positions.....		\$ 796,500
Executive operations—14.0 FTE positions .....		2,215,100
GROSS APPROPRIATION .....		\$ 3,011,600
Appropriated from:		
Interdepartmental grant revenues:		
IDG from building occupancy and parking charges .....		371,500
IDG from technology user fees.....		904,100
IDT from technology user fees .....		70,200
Special revenue funds:		
Special revenue, internal service, and pension trust funds .....		552,800
State general fund/general purpose .....		\$ 1,113,000

**(3) DEPARTMENT SERVICES**

Full-time equated classified positions.....	670.5	
Administrative services—61.5 FTE positions.....		\$ 6,126,100
Budget and financial management—158.5 FTE positions .....		16,452,300
Office of the state employer—23.0 FTE positions .....		2,923,800
Design and construction services—40.0 FTE positions.....		5,644,000
Business support services—94.0 FTE positions .....		9,400,700
Building operation services—221.0 FTE positions.....		88,347,300
Building occupancy charges, rent, and utilities.....		4,915,800
Motor vehicle fleet—46.0 FTE positions.....		57,194,600
Enterprisewide services—26.5 FTE positions .....		6,966,700
Information technology services and projects.....		26,510,700
GROSS APPROPRIATION .....		\$ 224,482,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG from accounting service centers user charges .....		859,600
IDG from building occupancy and parking charges .....		90,946,600
IDG from MDELEG .....		100,000
IDG from MDCH.....		445,000
IDG from MDHS .....		180,900
IDG from MDOT, comprehensive transportation fund.....		37,400
IDG from MDOT, state aeronautics fund.....		32,800
IDG from MDOT, state trunkline fund.....		1,218,600
IDG from motor transport fund.....		57,194,600

	For Fiscal Year Ending Sept. 30, 2011
IDG from technology user fees .....	\$ 6,465,200
IDT from technology user fees .....	501,500
IDG from user fees.....	5,799,700
Federal revenues:	
Federal funds.....	100
Special revenue funds:	
Deferred compensation.....	2,600
Game and fish protection fund .....	283,200
Health management funds .....	1,938,300
MAIN user charges.....	4,884,400
Pension trust funds .....	6,670,300
Special revenue, internal service, and pension trust funds .....	13,603,600
State building authority revenue.....	649,100
State lottery fund .....	256,800
State restricted indirect funds .....	2,012,800
State services fee fund .....	136,100
Waterways fund .....	73,100
State general fund/general purpose .....	\$ 30,189,700
<b>(4) TECHNOLOGY SERVICES</b>	
Full-time equated classified positions.....	1,598.5
Education services—32.0 FTE positions.....	\$ 3,324,100
Health and human services—694.5 FTE positions.....	232,214,800
Public protection—283.0 FTE positions .....	57,472,200
Resources services—163.0 FTE positions .....	18,580,600
Transportation services—99.5 FTE positions .....	27,656,500
General services—326.5 FTE positions.....	75,887,900
GROSS APPROPRIATION .....	\$ 415,136,100
Appropriated from:	
Interdepartmental grant revenues:	
IDG from technology user fees .....	385,229,100
IDT from technology user fees .....	29,907,000
State general fund/general purpose .....	\$ 0
<b>(5) STATEWIDE APPROPRIATIONS</b>	
Professional development fund - AFSCME.....	\$ 50,000
Professional development fund - MPE, SEIU, scientific, and engineering unit.....	125,000
Professional development fund - MPE, SEIU, technical unit.....	50,000
GROSS APPROPRIATION .....	\$ 225,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG from employer contributions .....	225,000
State general fund/general purpose .....	\$ 0
<b>(6) SPECIAL PROGRAMS</b>	
Full-time equated classified positions.....	177.0
Building occupancy charges - property management services for executive/legislative building occupancy .....	\$ 1,225,400
Retirement services—166.0 FTE positions .....	17,961,000
Office of children’s ombudsman—11.0 FTE positions.....	1,430,000
Transition costs .....	1,500,000
GROSS APPROPRIATION .....	\$ 22,116,400
Appropriated from:	
Special revenue funds:	
Deferred compensation.....	1,542,400
Pension trust funds .....	16,418,600
State general fund/general purpose .....	\$ 4,155,400
<b>(7) STATE BUILDING AUTHORITY RENT</b>	
State building authority rent - state agencies .....	\$ 59,065,100
State building authority rent - department of corrections .....	47,210,900
State building authority rent - universities.....	113,084,200
State building authority rent - community colleges.....	22,510,400
GROSS APPROPRIATION .....	\$ 241,870,600

Appropriated from:	
State general fund/general purpose .....	\$ 241,870,600
<b>(8) CIVIL SERVICE COMMISSION</b>	
Full-time equated classified positions .....	506.5
Agency services—102.5 FTE positions .....	\$ 11,800,000
Executive direction—33.0 FTE positions .....	8,860,700
Employee benefits—31.0 FTE positions .....	5,997,400
Training.....	1,300,000
Human resources operations—340.0 FTE positions .....	33,594,400
Information technology services and projects.....	3,968,000
GROSS APPROPRIATION .....	\$ <u>65,520,500</u>
Appropriated from:	
Interdepartmental grant revenues:	
IDG, training charges .....	1,300,000
IDG, 1% special funds.....	2,764,100
Federal revenues:	
Federal funds 1% .....	2,681,900
Special revenue funds:	
Local funds 1% .....	1,380,400
Private funds 1%.....	170,800
State restricted funds 1%.....	20,922,200
State restricted indirect funds .....	5,093,200
State sponsored group insurance.....	2,650,000
State sponsored group insurance, flexible spending accounts, and COBRA.....	6,137,800
State general fund/general purpose .....	\$ 22,420,100
<b>(9) CAPITAL OUTLAY</b>	
Major special maintenance, remodeling and addition for state agencies .....	\$ 2,000,000
GROSS APPROPRIATION .....	\$ <u>2,000,000</u>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from building occupancy charges.....	2,000,000
State general fund/general purpose .....	\$ 0
 <b>Sec. 109. DEPARTMENT OF TREASURY</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
Full-time equated unclassified positions .....	10.0
Full-time equated classified positions .....	2,189.5
GROSS APPROPRIATION .....	\$ 1,925,624,400
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	14,376,400
ADJUSTED GROSS APPROPRIATION .....	\$ 1,911,248,000
Federal revenues:	
Total federal revenues .....	262,691,600
Special revenue funds:	
Total local revenues.....	2,054,000
Total private revenues .....	843,600
Total other state restricted revenues .....	1,524,721,000
State general fund/general purpose .....	\$ 120,937,800
<b>(2) EXECUTIVE DIRECTION</b>	
Full-time equated unclassified positions .....	10.0
Full-time equated classified positions .....	5.0
Unclassified positions—10.0 FTE positions.....	\$ 923,000
Office of the director—5.0 FTE positions .....	956,100
GROSS APPROPRIATION .....	\$ <u>1,879,100</u>
Appropriated from:	
Federal revenues:	
DED-OPSE, federal lenders allowance .....	20,000
DED-OPSE, higher education act of 1965 insured loans .....	45,000

Special revenue funds:	
State lottery fund .....	\$ 196,400
State services fee fund .....	358,200
State general fund/general purpose .....	\$ 1,259,500

**(3) DEPARTMENTWIDE APPROPRIATIONS**

Travel .....	\$ 1,215,900
Rent and building occupancy charges - property management services .....	5,463,900
Worker's compensation insurance premium.....	188,600
<b>GROSS APPROPRIATION .....</b>	<b>\$ 6,868,400</b>

Appropriated from:

Special revenue funds:

Delinquent tax collection revenue .....	3,905,500
State general fund/general purpose .....	\$ 2,962,900

**(4) LOCAL GOVERNMENT PROGRAMS**

Full-time equated classified positions.....	93.0
Supervision of the general property tax law—59.0 FTE positions.....	\$ 12,849,400
Property tax assessor training—4.0 FTE positions.....	449,200
Local finance—23.0 FTE positions.....	2,487,600
Business property tax appeal—7.0 FTE positions.....	900,000
<b>GROSS APPROPRIATION .....</b>	<b>\$ 16,686,200</b>

Appropriated from:

Special revenue funds:

Local - assessor training fees .....	1,284,200
Local - audit charges.....	629,800
Local - equalization study charge-backs.....	40,000
Local - revenue from local government.....	100,000
Land reutilization fund .....	4,379,500
Municipal finance fees.....	507,600
Delinquent tax collection revenue .....	1,425,300
State general fund/general purpose .....	\$ 8,319,800

**(5) TAX PROGRAMS**

Full-time equated classified positions.....	762.0
Customer contact—112.0 FTE positions.....	\$ 9,845,100
Tax compliance—345.0 FTE positions .....	36,922,900
Tax and economic policy—121.0 FTE positions .....	13,308,900
Tax processing—156.0 FTE positions.....	14,992,600
Home heating assistance .....	2,697,800
Bottle act implementation.....	250,000
Michigan business tax—28.0 FTE positions.....	5,456,500
<b>GROSS APPROPRIATION .....</b>	<b>\$ 83,473,800</b>

Appropriated from:

Interdepartmental grant revenues:

IDG, data/collection services fees .....	50,900
IDG from MDOT, Michigan transportation fund .....	7,855,900
IDG from MDOT, state aeronautics fund.....	68,700

Federal revenues:

HHS-SSA, low-income energy assistance .....	2,697,800
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Special revenue funds:

Bottle deposit fund.....	250,000
Delinquent tax collection revenue .....	62,304,800
Emergency 911 fund .....	150,000
Tobacco tax revenue.....	983,300
Waterways fund .....	80,500
State general fund/general purpose .....	\$ 9,031,900

**(6) BANKING AND MANAGEMENT SERVICES**

Full-time equated classified positions.....	338.0
Departmental and budget services—48.0 FTE positions.....	\$ 4,400,900

	For Fiscal Year Ending Sept. 30, 2011
Unclaimed property—21.0 FTE positions .....	\$ 3,583,000
Collections—209.0 FTE positions .....	24,017,600
Finance and accounting—21.0 FTE positions .....	1,954,900
Receipts processing—39.0 FTE positions .....	3,784,600
<b>GROSS APPROPRIATION .....</b>	<b>\$ 37,741,000</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG, levy/warrant cost assessment fees .....	2,000,000
IDG, state agency collection fees.....	2,426,800
IDG from MDHS, title IV-D.....	650,900
IDG data/collection service fees.....	206,400
IDG from accounting service center user charges .....	391,500
Special revenue funds:	
Delinquent tax collection revenue .....	20,264,000
Escheats revenue.....	3,583,000
Justice system fund .....	672,500
Garnishment fees .....	2,321,300
State restricted indirect funds .....	258,500
Treasury fees .....	43,900
State general fund/general purpose .....	\$ 4,922,200
<b>(7) FINANCIAL PROGRAMS</b>	
Full-time equated classified positions .....	243.5
Investments—82.0 FTE positions .....	\$ 17,130,500
Common cash and debt management—22.5 FTE positions.....	1,322,700
Student financial assistance programs—113.0 FTE positions.....	36,870,800
Michigan finance authority - bond finance—18.0 FTE positions .....	2,971,500
Land bank fast track authority - bond finance—6.0 FTE positions .....	1,879,700
Public private partnership investment—2.0 FTE positions .....	1,472,000
John R. Justice grant program .....	282,100
<b>GROSS APPROPRIATION .....</b>	<b>\$ 61,929,300</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG, fiscal agent service fees.....	178,000
Federal revenues:	
DED-OPSE, federal lenders allowance .....	10,698,400
DED-OPSE, higher education act of 1965, insured loans .....	23,783,500
Federal - John R. Justice grant .....	282,100
Special revenue funds:	
Defined contribution administrative fee revenue .....	100,000
Land bank fast track fund.....	1,879,700
Michigan finance authority bond and loan program revenue .....	2,971,500
Michigan merit award trust fund.....	959,600
Public private partnership investment fund.....	1,472,000
Retirement funds.....	16,108,100
School bond fees.....	659,800
Treasury fees .....	1,100,700
State general fund/general purpose .....	\$ 1,735,900
<b>(8) DEBT SERVICE</b>	
Water pollution control bond and interest redemption .....	\$ 2,195,100
Quality of life bond .....	27,938,100
Clean Michigan initiative.....	24,625,100
Great Lakes water quality bond.....	2,874,500
<b>GROSS APPROPRIATION .....</b>	<b>\$ 57,632,800</b>
Appropriated from:	
Special revenue funds:	
Refined petroleum fund.....	15,514,500
State general fund/general purpose .....	\$ 42,118,300

**(9) GRANTS**

Convention facility development distribution .....	\$ 74,850,000
Senior citizen cooperative housing tax exemption program.....	14,520,000
Emergency 911 payments .....	27,000,000
Health and safety fund grants .....	9,000,000
GROSS APPROPRIATION .....	\$ 125,370,000
Appropriated from:	
Special revenue funds:	
Emergency 911 fund .....	27,000,000
Convention facility development fund .....	74,850,000
Health and safety fund .....	9,000,000
State general fund/general purpose .....	\$ 14,520,000

**(10) BUREAU OF STATE LOTTERY**

Full-time equated classified positions.....179.0	
Lottery operations—179.0 FTE positions.....	\$ 21,509,000
Promotion and advertising.....	17,690,900
Lottery information technology services and projects.....	4,706,000
GROSS APPROPRIATION .....	\$ 43,905,900
Appropriated from:	
Special revenue funds:	
State lottery fund .....	43,905,900
State general fund/general purpose .....	\$ 0

**(11) CASINO GAMING**

Full-time equated classified positions.....125.0	
Michigan gaming control board.....	\$ 50,000
Casino gaming control administration—115.0 FTE positions .....	21,960,000
Casino gaming information technology services and projects.....	1,609,000
Racing commission—10.0 FTE positions .....	2,083,100
GROSS APPROPRIATION .....	\$ 25,702,100
Appropriated from:	
Special revenue funds:	
Casino gambling agreements.....	629,100
Equine development fund .....	2,206,100
Laboratory fees.....	700,000
State services fee fund .....	22,166,900
State general fund/general purpose .....	0

**(12) PAYMENTS IN LIEU OF TAXES**

Commercial forest reserve.....	\$ 2,343,100
Purchased lands .....	4,386,000
Swamp and tax reverted lands .....	6,227,300
GROSS APPROPRIATION .....	\$ 12,956,400
Appropriated from:	
Special revenue funds:	
Game and fish protection fund .....	1,787,900
Michigan natural resources trust fund .....	521,200
Michigan state waterways fund .....	140,900
State general fund/general purpose .....	10,506,400

**(13) MICHIGAN STRATEGIC FUND**

Full-time equated classified positions.....155.0	
Administration—22.0 FTE positions .....	\$ 2,505,200
Job creation services—127.0 FTE positions .....	16,628,000
Jobs for Michigan investment program - 21st century jobs fund.....	75,000,000
Michigan promotion program .....	5,402,800
Community development block grants .....	53,000,000
Arts and cultural program.....	2,567,400
Michigan film office—6.0 FTE positions .....	742,800
GROSS APPROPRIATION .....	\$ 155,846,200

Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDEQ, air quality fees.....	\$ 81,200
Federal revenues:	
HUD-CPD, community development block grants .....	55,516,900
NFAH-NEA, promotion of the arts, partnership agreements.....	1,050,000
Special revenue funds:	
Private - special project advances .....	743,600
Private - Michigan council for the arts fund.....	100,000
Industry support fees .....	5,500
21st century jobs trust fund .....	75,000,000
Michigan film promotion fund .....	567,500
State general fund/general purpose .....	\$ 22,781,500

**(14) REVENUE SHARING**

Constitutional state general revenue sharing grants .....	\$ 633,481,800
Statutory state general revenue sharing grants .....	307,061,700
County revenue sharing payments.....	114,740,700
<b>GROSS APPROPRIATION .....</b>	<b>\$ 1,055,284,200</b>

Appropriated from:

Special revenue funds:

Sales tax .....	1,055,284,200
State general fund/general purpose .....	\$ 0

**(15) MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

Full-time equated classified positions .....	289.0
Payments on behalf of tenants .....	\$ 166,860,000
Housing and rental assistance—266.0 FTE positions .....	46,354,700
State historic preservation program—23.0 FTE positions .....	3,085,700
Lighthouse preservation program.....	307,500
Rent and administrative support.....	3,790,100
Michigan state housing development authority technology services and projects .....	3,265,600
<b>GROSS APPROPRIATION .....</b>	<b>\$ 223,663,600</b>

Appropriated from:

Federal revenues:

DOI-NPS, historic preservation grants-in-aid .....	1,184,200
HUD, lower income housing assistance.....	166,860,000

Special revenue funds:

Michigan state housing development authority fees and charges .....	55,311,900
Michigan lighthouse preservation fund .....	307,500
State general fund/general purpose .....	\$ 0

**(16) INFORMATION TECHNOLOGY**

Treasury operations information technology services and projects .....	\$ 16,685,400
<b>GROSS APPROPRIATION .....</b>	<b>\$ 16,685,400</b>

Appropriated from:

Interdepartmental grant revenues:

IDG from MDOT, Michigan transportation fund .....	466,100
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Federal revenues:

DED-OPSE, federal lender allowance.....	553,700
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Special revenue funds:

Delinquent tax collection revenue .....	11,940,400
Land bank fast track fund.....	157,500
Retirement funds.....	676,400
Tobacco tax revenue.....	111,900
State general fund/general purpose .....	\$ 2,779,400

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2010-2011 is \$2,394,530,800.00 and state spending from state resources to be paid to local units of government for fiscal year 2010-2011 is \$1,208,071,400.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF STATE

Fees to local units.....	\$	109,800
Motorcycle safety grants.....		<u>1,251,000</u>
Subtotal .....	\$	1,360,800

DEPARTMENT OF TREASURY

Senior citizen cooperative housing tax exemption .....	\$	14,520,000
Health and safety fund grants .....		9,000,000
Constitutional state general revenue sharing grants .....		633,481,800
Statutory state general revenue sharing grants .....		307,061,700
Convention facility development fund distribution .....		74,850,000
Emergency 9-1-1 payments .....		27,000,000
County revenue sharing payments.....		114,740,700
Airport parking distribution pursuant to section 909.....		13,100,000
Payments in lieu of taxes .....		<u>12,956,400</u>
Subtotal .....	\$	<u>1,206,710,600</u>
TOTAL GENERAL GOVERNMENT.....	\$	1,208,071,400

(2) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 2010-2011 is estimated at \$26,244,224,600.00 in the 2010-2011 appropriations acts and total state spending from state sources paid to local units of government for fiscal year 2010-2011 is estimated at \$15,182,770,900.00. The state-local proportion is estimated at 57.9% of total state spending from state resources.

(3) If payments to local units of government and state spending from state sources for fiscal year 2010-2011 are different than the amounts estimated in subsection (2), the state budget director shall report the payments to local units of government and state spending from state sources that were made for fiscal year 2010-2011 to the senate and house of representatives standing committees on appropriations within 30 days after the final book-closing for fiscal year 2010-2011.

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

Sec. 203. As used in this act:

- (a) "AFSCME" means American federation of state, county, and municipal employees.
- (b) "ARRA" means American recovery and reinvestment act of 2009, Public Law 111-5.
- (c) "CDBG" means community development block grants.
- (d) "COBRA" means the consolidated omnibus budget reconciliation act of 1985, Public Law 99-272, 100 Stat. 82.
- (e) "CPI" means consumer price index.
- (f) "DAG" means the United States department of agriculture.
- (g) "DED-OPSE" means the United States department of education, office of postsecondary education.
- (h) "DOL-ETA" means the United States department of labor, employment and training administration.
- (i) "DOL-OSHA" means the United States department of labor, occupational safety and health administration.
- (j) "EEOC" means the United States equal employment opportunity commission.
- (k) "EPA" means the United States environmental protection agency.
- (l) "FTE" means full-time equated.
- (m) "Fund" means the Michigan strategic fund.
- (n) "GF/GP" means general fund/general purpose.
- (o) "HHS" means the United States department of health and human services.

- (p) "HHS-OS" means the HHS office of the secretary.
- (q) "HHS-SSA" means the HHS social security administration.
- (r) "HUD" means the United States department of housing and urban development.
- (s) "HUD-CPD" means the United States department of housing and urban development – community planning and development.
- (t) "IDG" means interdepartmental grant.
- (u) "IDT" means intradepartmental transfer.
- (v) "JCOS" means the joint capital outlay subcommittee.
- (w) "MAIN" means the Michigan administrative information network.
- (x) "MCL" means the Michigan Compiled Laws.
- (y) "MDCH" means the Michigan department of community health.
- (z) "MDELEG" means the Michigan department of energy, labor, and economic growth.
- (aa) "MDHS" means the Michigan department of human services.
- (bb) "MDNRE" means the Michigan department of natural resources and environment.
- (cc) "MDOC" means the Michigan department of corrections.
- (dd) "MDOT" means the Michigan department of transportation.
- (ee) "MDSP" means the Michigan department of state police.
- (ff) "MDTMB" means the Michigan department of technology, management, and budget.
- (gg) "MEDC" means the Michigan economic development corporation, which is the public body corporate created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by contractual interlocal agreement effective April 5, 1999, between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund.
- (hh) "MFA" means the Michigan finance authority.
- (ii) "MPE" means the Michigan public employees.
- (jj) "MSC" means managerial, supervisory, and confidential.
- (kk) "MSHDA" means Michigan state housing development authority.
- (ll) "NERE" means nonexclusively represented employees.
- (mm) "PA" means public act.
- (nn) "PACC" means the prosecuting attorneys coordinating council.
- (oo) "SEIU" means service employees international union.

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

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

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

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

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

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

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

	2010	2011
Michigan personal income (millions) .....	\$343,289	\$352,215
less: transfer payments .....	77,424	78,586
Subtotal.....	<u>\$265,865</u>	<u>\$273,629</u>
Divided by: Detroit CPI for 12 months ending June 30 .....	2.054	2.085
Equals: real adjusted Michigan personal income.....	\$129,424	\$131,235
Percentage change .....		+1.4%
Percentage change between 0 and 2% .....		0.0%
Multiplied by: estimated GF/GP revenue in FY 2010-2011 (millions) .....		7,096.7
Equals: countercyclical budget and economic stabilization fund payout calculation for the fiscal year ending September 30, 2011 .....		\$0

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

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

Sec. 221. (1) Each department shall report no later than April 1 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the senate and house of representatives standing committees on appropriations subcommittees on general government, the joint committee on administrative rules, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used by a department to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(3) As used in this section:

(a) "Rule" means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

(b) "Small business" means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

Sec. 226. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 228. Not later than October 15, each department or agency receiving appropriations in part 1 shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house of representatives standing committees on appropriations, and the senate and house fiscal agencies.

Sec. 229. If the office of the auditor general has identified an initiative or made a recommendation that is related to savings and efficiencies in an audit report for an executive branch department or agency, the department or agency shall report within 6 months of the release of the audit on their efforts and progress made toward achieving the savings and efficiencies identified in the audit report. The report shall be submitted to the chairs of the senate and house of representatives standing committees on appropriations, the chairs of the senate and house of representatives standing committees with jurisdiction over matters relating to the department that is audited, and the senate and house fiscal agencies.

Sec. 230. (1) On a quarterly basis, each executive branch department and agency receiving appropriations in part 1 shall report on the number of full-time equated positions in pay status by civil service classification to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies.

(2) From the funds appropriated in part 1, each executive branch department and agency shall develop, post, and maintain on a user-friendly and publicly accessible Internet site, all expenditures made by the departments and agencies within a fiscal year. The posting must include the purpose for which each expenditure is made. Funds appropriated in part 1 from the federal American recovery and reinvestment act shall also be included on a publicly accessible website maintained by the Michigan economic recovery office. Departments and agencies shall not provide financial information on their websites under this section if doing so would violate a federal or state law, rule, regulation, or guideline that establishes privacy or security standards applicable to that section.

Sec. 231. The department shall not expend more than \$10,000.00 from the appropriations in part 1 to implement the requirements of section 230(2).

## **DEPARTMENT OF ATTORNEY GENERAL**

Sec. 301. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,500,000.00 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 \$1,500,000.00 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 \$100,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

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

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

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

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

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

Sec. 307. (1) In addition to the antitrust revenues in part 1, antitrust, securities fraud, consumer protection or class action enforcement revenues, or attorney fees recovered by the department, not to exceed \$250,000.00, are appropriated to the department for antitrust, securities fraud, and consumer protection or class action enforcement cases.

(2) Any unexpended funds from antitrust, securities fraud, or consumer protection or class action enforcement revenues at the end of the fiscal year, including antitrust funds in part 1, may be carried forward for expenditure in the following fiscal year up to the maximum authorization of \$250,000.00.

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

(2) The funds may be expended for the payment of court judgments or settlements, attorney fees, and litigation expenses not including salaries and support costs, assessed against the office of the governor, the department of the attorney general, the governor, or the attorney general when acting in an official capacity as the named party in litigation against the state. The funds may also be expended for the payment of state costs incurred under section 16 of chapter X of the code of criminal procedure, 1927 PA 175, MCL 770.16.

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

Sec. 309. From the prisoner reimbursement funds appropriated in part 1, the department may spend up to \$497,900.00 on activities related to the state correctional facilities reimbursement act, 1935 PA 253, MCL 800.401 to 800.406. In addition to the funds appropriated in part 1, if the department collects in excess of \$1,131,000.00 in gross annual prisoner reimbursement receipts provided to the general fund, the excess, up to a maximum of \$1,000,000.00, is appropriated to the department of attorney general and may be spent on the representation of the department of corrections and its officers, employees, and agents, including, but not limited to, the defense of litigation against the state, its departments, officers, employees, or agents in civil actions filed by prisoners.

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

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

Sec. 312. The department of attorney general shall not receive and expend funds in addition to those authorized in part 1 for legal services provided specifically to other state departments or agencies except for costs for expert witnesses, court costs, or other nonsalary litigation expenses associated with a pending legal action.

Sec. 314. Funds collected by the department of attorney general under section 10b of the medicaid false claim act, 1977 PA 72, MCL 400.610b, are appropriated to the department of attorney general for the purpose for which they were received. Any unexpended funds at the end of the fiscal year shall be carried forward for expenditure in subsequent fiscal years.

## **DEPARTMENT OF CIVIL RIGHTS**

Sec. 401. 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.

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

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

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

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

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

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

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

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

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

## **LEGISLATURE**

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

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

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

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

Sec. 603. The appropriation contained in part 1 for national association dues is to be distributed by the legislative council. If the funding is available, \$51,000.00 shall be paid as annual dues to the national conference of commissioners on uniform state laws.

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

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

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

Sec. 606. The appropriations in part 1 to the legislative branch, for property management, shall be used to purchase equipment and services for building maintenance in order to ensure a safe and productive work environment. These funds are designated as work project appropriations and shall not lapse at the end of the fiscal year, and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$500,000.00, and the tentative completion date is September 30, 2012.

Sec. 607. The appropriations in part 1 to the legislative branch, for automated data processing, shall be used to purchase equipment, software, and services in order to support and implement data processing requirements and technology improvements. These funds are designated as work project appropriations and shall not lapse at the end of the fiscal year, and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$500,000.00, and the tentative completion date is September 30, 2012.

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

## **LEGISLATIVE AUDITOR GENERAL**

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

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

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

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

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

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

## **DEPARTMENT OF STATE**

Sec. 701. (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 \$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.

Sec. 702. All funds made available by section 3171 of the insurance code of 1956, 1956 PA 218, MCL 500.3171, are appropriated and made available to the department of state to be expended only for the uses and purposes for which the funds are received as provided by sections 3171 to 3177 of the insurance code of 1956, 1956 PA 218, MCL 500.3171 to 500.3177.

Sec. 703. From the funds appropriated in part 1, the department of state shall sell copies of records including, but not limited to, records of motor vehicles, off-road vehicles, snowmobiles, watercraft, mobile homes, personal identification cardholders, drivers, and boat operators and shall charge \$7.00 per record sold only as authorized in section 208b of the Michigan vehicle code, 1949 PA 300, MCL 257.208b, section 7 of 1972 PA 222, MCL 28.297, and sections 80130, 80315, 81114, and 82156 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.80130, 324.80315, 324.81114, and 324.82156. The revenue received from the sale of records shall be credited to the transportation administration collection fund created under section 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b.

Sec. 704. From the funds appropriated in part 1, the secretary of state may enter into agreements with the department of corrections for the manufacture of vehicle registration plates 15 months before the registration year in which the registration plates will be used.

Sec. 705. (1) The department of state may accept gifts, donations, contributions, and grants of money and other property from any private or public source to underwrite, in whole or in part, the cost of a departmental publication that is prepared and disseminated under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923. A private or public funding source may receive written recognition in the publication and may furnish a traffic safety message, subject to departmental approval, for inclusion in the publication. The department may reject a gift, donation, contribution, or grant. The department may furnish copies of a publication underwritten, in whole or in part, by a private source to the underwriter at no charge.

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

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

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

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

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

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

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

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

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

Sec. 706. On October 1 of each year, the department of state shall file a report with the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies. The report shall include details on the activities and success of the department's enforcement and compliance with the help America vote act of 2002, Public Law 107-252.

Sec. 707. Funds collected by the department of state under section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211, are appropriated for all expenses necessary to provide for the costs of the publication. Funds are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 708. 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 \$332,000.00 for the services provided by the traffic accident records program as first appropriated in 1990 PA 196 and 1990 PA 208.

Sec. 709. From the funds appropriated in part 1, the department of state may restrict funds from miscellaneous revenue to cover cash shortages created from normal branch office operations. This amount shall not exceed \$50,000.00 of the total funds available in miscellaneous revenue.

Sec. 710. (1) Commemorative and specialty license plate fee revenue collected by the department of state and deposited into the transportation administration collection fund is authorized for expenditure up to the amount of revenue collected but not to exceed the amount appropriated to the department of state in part 1 to administer commemorative and specialty license plate programs.

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

Sec. 711. (1) Collector plate and fund-raising registration plate revenues collected by the department of state are appropriated and allotted for distribution to the recipient university or public or private agency overseeing a state-sponsored goal when received. Distributions shall occur on a quarterly basis or as otherwise authorized by law. Any revenues remaining at the end of the fiscal year shall not lapse to the general fund but shall remain available for distribution to the university or agency in the next fiscal year.

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

Sec. 712. The department of state may produce and sell copies of a training video designed to inform registered automotive repair facilities of their obligations under Michigan law. The price shall not exceed the cost of production and distribution. The money received from the sale of training videos shall revert to the department of state and be placed in the auto repair facility account.

Sec. 713. (1) The department of state, in collaboration with the gift of life transplantation society or its successor federally designated organ procurement organization, may develop and administer a public information campaign concerning the Michigan organ donor program.

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

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

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

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

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

Sec. 714. At least 180 days before closing or consolidating a branch office and at least 60 days before relocating a branch office, the department of state shall inform members of the senate and house of representatives standing committees on appropriations and legislators who represent affected areas regarding the details of the proposal. The information provided shall be in written form and include all analyses done regarding criteria for changes in the location of branch offices, including, but not limited to, branch transactions, revenue, and the impact on citizens of the affected area. The impact on citizens shall include information regarding additional distance to branch office locations resulting from the plan. The written notice provided by the department of state shall also include detailed estimates of costs and savings that will result from the overall changes made to the branch office structure and the same level of detail regarding costs for new leased facilities and expansions of current leased space.

Sec. 715. (1) Any service assessment collected by the department of state from the user of a credit or debit card under section 3 of 1995 PA 144, MCL 11.23, may be used by the department for necessary expenses related to that service and may be remitted to a credit or debit card company, bank, or other financial institution.

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

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

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

Sec. 716. (1) Funds in part 1 for motorcycle safety education grants and administration are appropriated to the department of state for operation of the motorcycle safety education program previously operated by the department of education under section 811a of the Michigan vehicle code, 1949 PA 300, MCL 257.811a.

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

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

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

Sec. 716b. The department of state shall provide a report that calculates the total amount of funds expended for the business application modernization project to date from the inception of the program. The report shall contain information on the original start and completion dates for the project, the original cost to complete the project, and a listing of all revisions to project completion dates and costs. The report shall include the total amount of funds paid to the state by the contract provider for penalties. The report shall be submitted to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director by January 1.

Sec. 716c. The department of state shall provide a report that assesses the optimal network connectivity in secretary of state branch offices, including a review of the number of service providers, and makes recommendations on how best to meet the increasing demands of online transactions. The report shall be submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government by April 1.

Sec. 717. (1) The department of state may accept nonmonetary gifts, donations, or contributions of property from any private or public source to support, in whole or in part, the operation of a departmental function relating to licensing, regulation, or safety. The department may recognize a private or public contributor for making the contribution. The department may reject a gift, donation, or contribution.

(2) The department of state shall not accept a gift, donation, or contribution under subsection (1) if receipt of the gift, donation, or contribution is conditioned upon a commitment of future state funding.

(3) 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 list any gift, donation, or contribution received by the department under subsection (1) for the prior calendar year.

Sec. 718. From the funds appropriated in part 1 to the department of state, branch operations, the department shall maintain a full service secretary of state branch office in Buena Vista Township.

Sec. 719. From the funds appropriated in part 1 for the department of state, the department shall first use restricted funding for expenditures, when available for that purpose, before using general fund dollars.

Sec. 720. The funds appropriated in part 1 for department of state, branch operations, are contingent upon the department complying with the following guidelines for branch office placement:

(a) The department of state shall, whenever possible, avoid leasing space for branch offices on greenfield sites or other noncentral locations that require the construction of new infrastructure to service the office or facility, except in limited circumstances when the constituency served or programs supported require the use of a noncentral or open space location.

(b) The department shall encourage public investment in this state's urban areas by locating branch offices and facilities in urban areas. As used in this section, "urban areas" means a downtown area, town centers, or central business districts.

(c) The department shall, whenever possible, locate branch offices at locations consistent with local planning and zoning and compatible with existing land uses.

(d) In selecting a site for a branch office, the department shall give priority to locations in urban areas, whenever reasonably possible and consistent with state law. In making location decisions, the department shall also give consideration to the following:

(i) Use of existing space in state-owned facilities in urban areas.

(ii) Adaptive use or rehabilitation of historic buildings or reuse of other buildings within an urban area.

(iii) Use of vacant buildings in an urban area.

(iv) Use of vacant land in an urban area.

(v) Use and rehabilitation of brownfield areas.

Sec. 721. From the funds appropriated in part 1, the department of state may collect ATM commission fees from companies that have ATMs located in secretary of state branch offices. The commission received from the use of these ATMs shall be credited to the transportation administration collection fund created under section 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b.

## **DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET**

Sec. 801. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$4,000,000.00 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 \$8,000,000.00 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 \$150,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

Sec. 802. 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 technology, management, and budget to offset costs incurred in the acquisition and distribution of federal surplus property.

Sec. 803. (1) The department of technology, management, and budget may receive and expend funds in addition to those authorized by part 1 for maintenance and operation services provided specifically to other principal executive departments or state agencies, the legislative branch, the judicial branch, or private tenants, or provided in connection with facilities transferred to the operational jurisdiction of the department of technology, management, and budget.

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

Sec. 804. (1) The source of financing in part 1 for statewide appropriations shall be funded by assessments against longevity and insurance appropriations throughout state government in a manner prescribed by the department of technology, management, and budget. Funds shall be used as specified in joint labor/management agreements or through the coordinated compensation hearings process. Any deposits made under this subsection and any unencumbered funds are restricted revenues, may be carried over into the succeeding fiscal years, and are appropriated.

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

Sec. 805. To the extent a specific appropriation is required for a detailed source of financing included in part 1 for the department of technology, management, and budget appropriations financed from special revenue and internal service and pension trust funds, or MAIN user charges, the specific amounts are appropriated within the special revenue internal service and pension trust funds in portions not to exceed the aggregate amount appropriated in part 1.

Sec. 806. In addition to the funds appropriated in part 1 to the department of technology, management, and budget, the department may receive and expend funds from other principal executive departments and state agencies to implement 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 technology, management, and budget under this section and intended, under the joint labor/management agreements, to be available for use beyond the close of the fiscal year and any unencumbered funds may be carried over into the succeeding fiscal year.

Sec. 807. The source of financing in part 1 for the Michigan administrative information network shall be funded by proportionate charges assessed against the respective state funds benefiting from this project in the amounts determined by the department.

Sec. 808. (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 technology, 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 technology, management, and budget, for management and budget services from building occupancy charges and parking charges, may be increased to return excess revenue collected to state agencies.

Sec. 809. The department of technology, management, and budget shall notify the chairpersons of the senate and house of representatives standing committees on appropriations and the chairpersons of the senate and house of representatives standing committees on appropriations subcommittees on general government on any revisions that increase or decrease current contracts by more than \$500,000.00 for computer software development, hardware acquisition, or quality assurance at least 14 days before the department of technology, management, and budget finalizes the revisions.

Sec. 810. The department of technology, management, and budget shall maintain an Internet website that contains notice of all invitations for bids and requests for proposals over \$50,000.00 issued by the department or by any state agency operating under delegated authority. The department shall not accept an invitation for bid or request for proposal in less than 14 days after the notice is made available on the Internet website, except in situations where it would be in the best interest of the state and documented by the department. In addition to the requirements of this section, the department may advertise the invitations for bids and requests for proposals in any manner the department determines appropriate, in order to give the greatest number of individuals and businesses the opportunity to make bids or requests for proposals.

Sec. 811. The department of technology, management, and budget may receive and expend funds from the Vietnam veterans memorial monument fund as provided in the Michigan Vietnam veterans memorial act, 1988 PA 234, MCL 35.1051 to 35.1057. Funds are appropriated and allocated when received and may be expended upon receipt.

Sec. 812. The Michigan veterans' memorial park commission may receive and expend money from any source, public or private, including, but not limited to, gifts, grants, donations of money, and government appropriations, for the purposes described in Executive Order No. 2001-10. Funds are appropriated and allocated when received and may be expended upon receipt. Any deposits made under this section and unencumbered funds are restricted revenues and may be carried over into succeeding fiscal years.

Sec. 813. (1) Funds in part 1 for motor vehicle fleet are appropriated to the department of technology, management, and budget for administration and for the acquisition, lease, operation, maintenance, repair, replacement, and disposal of state motor vehicles.

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

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

(4) Pursuant to the department of technology, management, and budget's authority under sections 213 and 215 of the management and budget act, 1984 PA 431, MCL 18.1213 and 18.1215, the department shall maintain a plan regarding the operation of the motor vehicle fleet. The plan shall include the number of vehicles assigned to, or authorized for use by, state departments and agencies, efforts to reduce vehicle expenditures, the number of cars in the motor vehicle fleet, the number of miles driven by fleet vehicles, and the number of gallons of fuel consumed by fleet vehicles. The plan shall include a calculation of the amount of state motor vehicle fuel taxes that would have been incurred by fleet vehicles if fleet vehicles were required by law to pay motor fuel taxes. The plan shall include a description of fleet garage operations, the goods sold and services provided by the fleet garage, the cost to operate the fleet garage, the number of fleet garage locations, and the number of employees assigned to each fleet garage. The plan may be adjusted during

the fiscal year based on needs and cost savings to achieve the maximum value and efficiency from the state motor fleet. Within 60 days after the close of the fiscal year, the department shall provide a report to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies detailing the current plan and changes made to the plan during the fiscal year.

(5) The department of technology, management, and budget may charge state agencies for fuel cost increases that exceed \$2.27 per gallon of unleaded gasoline. The department shall notify state agencies, in writing or by electronic mail, at least 30 days before implementing additional charges for fuel cost increases. Revenues received from these charges are appropriated upon receipt.

Sec. 814. The department of technology, management, and budget shall adopt policies and procedures necessary for compliance by the department, other state departments and agencies, and state vendors and subcontractors, with the requirement under subsection (1) of section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, to provide a purchasing preference for products manufactured or services offered by Michigan-based firms.

Sec. 815. In determining whether the purchase, contracting for, providing of supplies, materials, services, insurance, utilities, third-party financing, equipment, printing, and other items needed by state departments or agencies is in the best interests of this state, and in making all discretionary decisions concerning the solicitation, award, amendment, cancellation, or appeal of state contracts, the department of technology, management, and budget shall consider all of the following:

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

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

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

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

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

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

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

Sec. 816. The department of technology, management, and budget shall collect from vendors information necessary to comply with the requirements of this act, as determined by the department. The department of technology, management, and budget may require vendors to provide any of the following:

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

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

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

Sec. 817. The department of technology, management, and budget may require that any vendor or subcontractor providing call or contact center services to the state of Michigan disclose to inbound callers the location from which the call or contact center services are being provided.

Sec. 818. In addition to the funds appropriated in part 1, the department of technology, management, and budget may receive and expend money from the Michigan law enforcement officers memorial monument fund as provided in the Michigan law enforcement officers memorial act, 2004 PA 177, MCL 28.781 to 28.787.

Sec. 819. In addition to the funds appropriated in part 1, the department of technology, management, and budget may receive and expend money from the Ronald Wilson Reagan memorial monument fund as provided in the Ronald Wilson Reagan memorial monument fund commission act, 2004 PA 489, MCL 399.261 to 399.266.

Sec. 820. The department shall make available to the public a list of all parcels of real property owned by the state that are available for purchase. The list shall be posted on the Internet through the department's website.

Sec. 822. The department of technology, management, and budget shall compile a report by January 1 pertaining to the salaries of unclassified employees, as well as gubernatorial appointees, within all state departments and agencies. The report shall enumerate each unclassified employee and gubernatorial appointee and his or her annual salary individually. The report shall be distributed to the chairs of the senate and house of representatives standing committees on appropriations subcommittees on general government, as well as the senate and house fiscal agencies.

## **INFORMATION TECHNOLOGY**

Sec. 823. (1) The department of technology, management, and budget may sell and accept paid advertising for placement on any state website under its jurisdiction. The department shall review and approve the content of each advertisement. The department may refuse to accept advertising from any person or organization or require modification to advertisements based upon criteria determined by the department. Revenue received under this subsection shall be used for operating costs of the department and for future technology enhancements to state of Michigan e-government initiatives. Funds received under this subsection shall be limited to \$250,000.00. Any funds in excess of \$250,000.00 shall be deposited in the state general fund.

(2) The department of technology, management, and budget 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 webpages or services offered on those webpages. A private or public funding source may receive recognition in the webpage. The department of technology, management, and budget may reject any gift, donation, contribution, bequest, or grant.

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

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

Sec. 824. The department of technology, management, and budget may enter into agreements to supply spatial information and technical services to other principal executive departments, state agencies, local units of government, and other organizations. The department of technology, 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 products. The department of technology, management, and budget may expend amounts received for salaries, supplies, and equipment necessary to provide informational products and technical services. Prior to December 1 of each year, the department shall provide a report to the senate and house of representatives standing committees on appropriations subcommittees on general government, detailing the sources of funding and expenditures made under this section.

Sec. 825. The legislature shall have access to all historical and current data contained within MAIN pertaining to state departments. State departments shall have access to all historical and current data contained within MAIN.

Sec. 826. 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, including, but not limited to, wireless networking.
- (f) Information technology project management.
- (g) Information technology planning and budget management.
- (h) Telecommunication services, security, infrastructure, and support.

Sec. 827. (1) Funds appropriated in part 1 for the Michigan public safety communications system shall be expended upon approval of an expenditure plan by the state budget director.

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

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

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

Sec. 828. The department of technology, management, and budget shall submit a report for the immediately preceding fiscal year ending September 30 to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1. The report shall include the following:

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

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

Sec. 829. The department of technology, management, and budget shall provide a report that analyzes and makes recommendations on the life-cycle of information technology hardware and software. The report shall be submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1.

Sec. 830. By December 31, the department shall provide a report that lists all information technology-related change orders and follow-on contracts, greater than \$25,000.00, whether they are bid, exercise options or no-bid, and the amount of each change order or contract extension contract entered into by the department to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director.

Sec. 832. The department shall provide a report that calculates the total amount of funds expended for the child support enforcement system to date from the inception of the program. The report shall contain information on the original start and completion dates for the project, the original cost to complete the project, and a listing of all revisions to project completion dates and costs. The report shall include the total amount of funds paid to the federal government for penalties. The report shall be submitted to the senate and house of representatives standing committees on government operations, the senate and house of representatives standing committees on appropriations subcommittees on general government, and the senate and house fiscal agencies by January 1.

Sec. 833. (1) The state budget director, upon notification to the senate and house of representatives standing committees on appropriations, may adjust spending authorization and user fees in the department of technology, management, and budget budget in order to ensure that the appropriations for information technology in the department budget equal the appropriations for information technology in the budgets for all executive branch agencies.

(2) If during the course of the fiscal year a transfer or supplemental to or from the information technology line item within an agency budget is made under section 393 of the management and budget act, 1984 PA 431, MCL 18.1393, there is appropriated an equal amount of user fees in the department of technology, management, and budget budget to accommodate an increase or decrease in spending authorization.

Sec. 834. (1) Revenue collected from licenses issued under the antenna site management project shall be deposited into the antenna site management revolving fund created for this purpose in the department of technology, management, and budget. The department may receive and expend money from the fund for costs associated with the antenna site management project, including the cost of a third-party site manager. Any excess revenue remaining in the fund at the close of the fiscal year shall be proportionately transferred to the appropriate state restricted funds as designated in statute or by constitution.

(2) An antenna shall not be placed on any site pursuant to this section without complying with the respective local zoning codes and local unit of government processes.

Sec. 835. In addition to the funds appropriated in part 1, the funds collected by the department for supplying census-related information and technical services, publications, statistical studies, population projections and estimates, and other demographic products area appropriated for all expenses necessary to provide the required services. These funds are available for expenditure when they are received and may be carried forward into the next succeeding fiscal year.

### **STATE BUILDING AUTHORITY**

Sec. 840. (1) Subject to section 242 of the management and budget act, 1984 PA 431, MCL 18.1242, and upon the approval of the state building authority, the department may expend from the general fund of the state during the fiscal year an amount to meet the cash flow requirements of those state building authority projects solely for lease to a state agency identified in both part 1 and this section, and for which state building authority bonds or notes have not been issued, and for the sole acquisition by the state building authority of equipment and furnishings for lease to a state agency as permitted by 1964 PA 183, MCL 830.411 to 830.425, for which the issuance of bonds or notes is authorized by a legislative concurrent resolution that is effective for the fiscal year ending September 30, 2011. Any general fund advances for which state building authority bonds have not been issued shall bear an interest cost to the state building authority at a rate not to exceed that earned by the state treasurer's common cash fund during the period in which the advances are outstanding and are repaid to the general fund of the state.

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

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

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

Sec. 841. (1) State building authority funding to finance construction or renovation of a facility that collects revenue in excess of money required for the operation of that facility shall not be released to a university or community college unless the institution agrees to reimburse that excess revenue to the state building authority. The excess revenue shall be credited to the general fund to offset rent obligations associated with the retirement of bonds issued for that facility. The auditor general shall annually identify and present an audit of those facilities that are subject to this section. Costs associated with the administration of the audit shall be charged against money recovered pursuant to this section.

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

Sec. 842. (1) The state building authority rent appropriations in part 1 may also be expended for the payment of required premiums for insurance on facilities owned by the state building authority or payment of costs that may be incurred as the result of any deductible provisions in such insurance policies.

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

Sec. 843. The state building authority shall provide to the JCOS, state budget director, and senate and house fiscal agencies a report relative to the status of construction projects associated with state building authority bonds as of September 30 of each year, on or before October 15, or not more than 30 days after a refinancing or restructuring bond issue is sold. The report shall include, but is not limited to, the following:

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

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

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

## **CIVIL SERVICE**

Sec. 850. (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 civil service commission on the basis of actual 1% restricted sources total aggregate payroll of the classified service for fiscal year 2010 in accordance with section 5 of article XI of the state constitution of 1963. This includes, but is not limited to, restricted funds appropriated in part 1 of any appropriations act. Unexpended 1% appropriated funds shall be returned to each 1% fund source at the end of the fiscal year.

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

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

Sec. 851. Except where specifically appropriated for this purpose, financing from restricted sources shall be credited to the civil service commission. 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 commission operating deducts first and civil service obligations second. General fund dollars are appropriated for any shortfall, pursuant to approval by the state budget director.

Sec. 852. The appropriation in part 1 to the civil service commission, for state-sponsored group insurance, flexible spending accounts, and COBRA, represents amounts, in part, included within the various appropriations throughout state government for the current fiscal year to fund the flexible spending account program included within the civil service commission. 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 civil service commission. 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.

Sec. 853. No funds appropriated in part 1 shall be used, directly or indirectly, to fund the office of great workplace development.

## **CAPITAL OUTLAY**

Sec. 860. As used in sections 861 through 869:

(a) "Board" means the state administrative board.

(b) "Community college" does not include a state agency or university.

(c) "Department" means the department of technology, management, and budget.

(d) "Director" means the director of the department of technology, management, and budget.

(e) "Fiscal agencies" means the senate fiscal agency and the house fiscal agency.

(f) "State agency" means an agency of state government. State agency does not include a community college or university.

(g) "State building authority" means the authority created under 1964 PA 183, MCL 830.411 to 830.425.

(h) "University" means a 4-year university supported by the state. University does not include a community college or a state agency.

Sec. 861. Each capital outlay project authorized in this act or any previous capital outlay act shall comply with the procedures required by the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 862. (1) The department shall provide the JCOS, state budget director, and the senate and house fiscal agencies with reports as considered necessary relative to the status of each planning or construction project financed by the state building authority, by this act, or by previous acts.

(2) Before the end of each fiscal year, the department shall report to the JCOS, state budget director, and the senate and house fiscal agencies for each capital outlay project other than lump sums all of the following:

- (a) The account number and name of each construction project.
- (b) The balance remaining in each account.
- (c) The date of the last expenditure from the account.
- (d) The anticipated date of occupancy if the project is under construction.
- (e) The appropriations history for the project.
- (f) The professional service contractor.
- (g) The amount of the project financed with federal funds.
- (h) The amount of the project financed through the state building authority.
- (i) The total authorized cost for the project and the state authorized share if different than the total.

(3) Before the end of each fiscal year, the department shall report the following for each project by a state agency, university, or community college that is authorized for planning but is not yet authorized for construction:

- (a) The name of the project and account number.
  - (b) Whether a program statement is approved.
  - (c) Whether schematics are approved by the department.
  - (d) Whether preliminary plans are approved by the department.
  - (e) The name of the professional service contractor.
- (4) As used in this section, "project" includes appropriation line items made for purchase of real estate.

Sec. 863. (1) The director shall allocate lump-sum appropriations made in this act consistent with statutory provisions and the purposes for which funds were appropriated. Lump-sum allocations shall address priority program or facility needs and may include, but are not limited to, design, construction, remodeling and addition, special maintenance, major special maintenance, energy conservation, and demolition.

(2) The state budget director may authorize that funds appropriated for lump-sum appropriations shall be available for no more than 3 fiscal years following the fiscal year in which the original appropriation was made. Any remaining balance from allocations made in this section shall lapse to the fund from which it was appropriated pursuant to the lapsing of funds as provided in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 864. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with the provisions of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

Sec. 865. (1) A site preparation economic development fund is created in the department of technology, management, and budget. As used in this section, "economic development sites" means those state-owned sites declared as surplus property pursuant to section 251 of the management and budget act, 1984 PA 431, MCL 18.1251, that would provide economic benefit to the area or to the state. The Michigan economic development corporation board and the state budget director shall determine whether or not a specific state-owned site qualifies for inclusion in the fund created under this subsection.

(2) Proceeds from the sale of any sites designated in subsection (1) shall be deposited into the fund created in subsection (1) and shall be available for site preparation expenditures, unless otherwise provided by law. The economic development sites authorized in subsection (1) are authorized for sale consistent with state law. Expenditures from the fund are authorized for site preparation activities that enhance the marketable sale value of the sites. Site preparation activities include, but are not limited to, demolition, environmental studies and abatement, utility enhancement, and site excavation.

(3) A cash advance in an amount of not more than \$25,000,000.00 is authorized from the general fund to the site preparation economic development fund.

(4) An annual report shall be transmitted to the senate and house of representatives standing committees on appropriations not later than December 31 of each year. This report shall detail both of the following:

- (a) The revenue and expenditure activity in the fund for the preceding fiscal year.
- (b) The sites identified as economic development sites under subsection (1).

## **CAPITAL OUTLAY - UNIVERSITIES AND COMMUNITY COLLEGES**

Sec. 870. A statement of a proposed facility's operating cost shall be included with the facility's program statement and planning documents when the plans are presented to JCOS for approval.

Sec. 871. (1) Before proceeding with final planning and construction for projects at community colleges and universities included in an appropriations act, the community college or university shall sign an agreement with the department that includes the following provisions:

(a) The university or community college agrees to construct the project within the total authorized cost established by the legislature pursuant to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, and an appropriations act.

(b) The design and program scope of the project shall not deviate from the design and program scope represented in the program statement and preliminary planning documents approved by the department.

(c) Any other items as identified by the department that are necessary to complete the project.

(2) The department retains the authority and responsibility normally associated with the prudent maintenance of the public's financial and policy interests relative to the state-financed construction projects managed by a community college or university.

Sec. 872. A state agency, community college, or university shall take steps necessary to make available federal and other money indicated in this act, to make available federal or other money that may become available for the purposes for which appropriations are made in this act, and to use any part or all of the appropriations to meet matching requirements that are considered to be in the best interest of this state. However, the purpose, scope, and total estimated cost of a project shall not be altered to meet the matching requirements. Any federal matching revenues received to support the construction of the project shall be applied to the total authorized project cost, with the state and community college or university financing shares proportionately adjusted.

Sec. 873. (1) This section applies only to projects for community colleges.

(2) State support is directed towards the remodeling and additions, special maintenance, or construction of certain community college buildings. The community college shall obtain or provide for site acquisition and initial main utility installation to operate the facility. Funding shall be composed of local and state shares and not more than 50% of a capital outlay project, not including a lump-sum special maintenance project or remodeling and addition project, for a community college shall be appropriated from state and federal funds, unless otherwise appropriated by the legislature.

(3) An expenditure under this act is authorized when the release of the appropriation is approved by the board upon the recommendation of the director. The director may recommend to the board the release of any appropriation in part 1 only after the director is assured that the legal entity operating the community college to which the appropriation is made has complied with this act and has matched the amounts appropriated as required by this act. A release of funds in part 1 shall not exceed 50% of the total cost of planning and construction of any project, not including lump-sum remodeling and additions and special maintenance, unless otherwise appropriated by the legislature. Further planning and construction of a project authorized by this act or applicable sections of the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, shall be in accordance with the purpose and scope as defined and delineated in the approved program statements and planning documents. This act is applicable to all projects for which planning appropriations were made in previous acts.

(4) The community college shall take the steps necessary to secure available federal construction and equipment money for projects funded for construction in this act if an application was not previously made. If there is a reasonable expectation that a prior year unfunded application may receive federal money in a subsequent year, the college shall take whatever action necessary to keep the application active.

Sec. 874. If university and community college matching revenues are received in an amount less than the appropriations for capital projects contained in this act, the state funds shall be reduced in proportion to the amount of matching revenue received.

Sec. 875. (1) The director may require that community colleges and universities that have an authorized project listed in part 1 submit documentation regarding the project match and governing board approval of the authorized project not more than 60 days after the beginning of the fiscal year.

(2) If the documentation required by the director under subsection (1) is not submitted, or does not adequately authenticate the availability of the project match or board approval of the authorized project, the authorization may terminate. The authorization terminates 30 days after the director notifies the JCOS of the intent to terminate the project unless the JCOS convenes to extend the authorization.

Sec. 876. (1) Except as otherwise provided in subsection (3) or (4), a university shall not enter into a contract for new construction of a self-funded project estimated to cost at least \$3,000,000.00 unless the project is authorized by

JCOS through approval of a use and finance statement defined by a policy adopted by JCOS. The request for authorization shall be initially submitted for review to JCOS, the senate and house fiscal agencies, and the department of technology, management, and budget. The use and finance statement for a non-state-funded project shall contain the estimated total construction cost and all associated estimated operating costs, including a statement of anticipated project revenues. As used in this subsection, "new construction" includes land or property acquisition, remodeling and additions, maintenance projects, roads, landscaping, equipment, telecommunications, utilities, and parking lots and structures. Certificate of need forms may be submitted in lieu of a use and finance form where applicable.

(2) Except as otherwise provided in subsection (4), a community college shall not enter into a contract for new construction of a self-funded project estimated to cost at least \$2,000,000.00 unless the project is authorized by JCOS through approval of a use and finance statement defined by a policy adopted by JCOS. The request for legislative authorization shall be initially submitted for review to JCOS, the senate and house fiscal agencies, and the department of technology, management, and budget. The use and finance statement for a non-state-funded project shall contain the estimated total construction cost and all associated estimated operating costs, including a statement of anticipated project revenues. As used in this subsection, "new construction" includes land or property acquisition, remodeling and additions, maintenance projects, roads, landscaping, equipment, telecommunications, utilities, and parking lots and structures. Certificate of need forms may be submitted in lieu of a use and finance form where applicable.

(3) The University of Michigan hospital and health center is not required to obtain JCOS authorization through approval of a use and finance statement defined by a policy adopted by JCOS.

(4) If health or safety concerns warrant, a project may be completed without prior approval of a use and finance statement defined by a policy adopted by JCOS. However, a university or community college shall submit a use and finance statement as soon as possible after the project is completed and the health or safety concerns have abated.

(5) A project that is constructed in violation of this section shall not receive state appropriations for purposes of operating the project or for support for future infrastructure enhancements that are necessitated, in whole or in part, by construction of the project. In addition, a project constructed in violation of this section shall result in the loss of any state capital outlay funding for the institution for 2 years and a prohibition of doing self-funded projects of any kind, except for emergencies where health or safety concerns warrant, for 1 year.

(6) A state agency, including the department of military and veterans affairs, shall not enter into a contract, including those for a direct federally funded capital outlay construction or major maintenance or remodeling project if the total project is estimated to cost more than \$1,000,000.00 and is to be constructed on state-owned lands unless the project is approved by the department of technology, management, and budget and JCOS through approval of a use and finance statement defined by a policy adopted by JCOS, unless the project is otherwise appropriated in a capital outlay appropriations act. For projects not appropriated in a capital outlay appropriations act that are over \$1,000,000.00, the state agency shall submit a use and finance statement defined by a policy adopted by JCOS. As used in this subsection, "direct federally funded" refers to a project for which federal payments are made directly to the construction vendor and not to the state of Michigan.

(7) A public body corporate created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a contractual interlocal agreement between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund shall not enter into a contract for new construction estimated to cost more than \$1,000,000.00 unless the project is authorized by JCOS through the approval of a use and finance statement defined by a policy adopted by JCOS. For purposes of this subsection, the use and finance statement for a project shall contain the estimated total construction cost and all associated estimated operating costs. As used in this subsection, "new construction" means land or property acquisition, remodeling or additions, lease or lease purchase, and maintenance projects for the corporate office of the public body corporate described in this subsection.

(8) By not later than April 1 and October 1, each university shall report to the JCOS chairpersons, the senate and house fiscal agencies, and the department of technology, management, and budget all self-funded capital projects commenced for the immediately preceding 6-month period that cost less than \$3,000,000.00 but at least \$1,000,000.00. Community colleges shall also submit these reports for self-funded capital projects that cost less than \$2,000,000.00 but at least \$1,000,000.00.

## **DEPARTMENT OF TREASURY**

### **OPERATIONS**

Sec. 901. (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 \$40,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 902. (1) Amounts needed to pay for interest, fees, principal, mandatory and optional redemptions, 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.

(3) In addition to the amount appropriated to the department of treasury for debt service in part 1, there is appropriated all repayments received by the state on loans made from the school bond loan fund not required to be deposited in the school loan revolving fund by or pursuant to MCL 388.984, to the extent determined by the state treasurer, for the payment of debt service, including, without limitation, optional and mandatory redemptions, on bonds, notes or commercial paper issued by the state pursuant to 1961 PA 112.

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

(2) From the funds appropriated in part 1, the department of treasury may contract with private collections agencies and law firms to collect defaulted student loans and other accounts due the Michigan guaranty agency. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund collection costs and fees not to exceed 23% of the collection or a lesser amount as prescribed by the contract. The appropriation to fund collection costs and fees for the auditing and collection of defaulted student loans due the Michigan guaranty agency is from the fund or account to which the revenues being collected are recorded or dedicated.

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

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

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

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

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

Sec. 905. (1) The department of treasury shall provide copies of the state tax manual via the department's website or provide for sale copies of the tax manuals on a compact disc or an electronically transmitted format. The revenue received from the sale of preparation and local government assistance manuals shall revert to the department of treasury and be placed in the local government assistance manual revolving fund.

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

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

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

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

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

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

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

Sec. 910. The disbursement by the department of treasury from the bottle deposit fund to dealers as required by section 3c(2) of 1976 IL 1, MCL 445.573c, is appropriated.

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

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

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

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

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

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

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

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

Sec. 915. Pursuant to section 61 of the Michigan campaign finance act, 1976 PA 388, MCL 169.261, there is appropriated from the general fund to the state campaign fund an amount equal to the amounts designated for tax year 2009. 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 shall revert to the general fund.

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

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

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

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

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

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

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

Sec. 924. (1) In addition to the funds appropriated in part 1, the department of treasury may receive and expend principal residence audit fund revenue for administration of principal residence audits under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than December 31 stating the amount of exemptions denied and the revenue received under the program.

Sec. 925. (1) A public-private partnership investment fund is created in the department of treasury. Subject to subsections (2) and (3), public-private partnership investments shall include, but are not limited to, all of the following:

- (a) Capital asset improvements including buildings, land, or structures.
- (b) Energy resource exploration, extraction, generation, and sales.

(c) Financial and investment incentive opportunities.

(d) Infrastructure construction, maintenance, and operation.

(e) Public-private sector joint ventures that provide economic benefit to an area or to the state.

(2) Public-private investments shall not include projects, consultant expenses, staff effort, or any other activity related to the development, financing, construction, operation, or implementation of the Detroit River International Crossing.

(3) The state treasurer and the state budget director shall determine whether or not a specific public-private partnership investment opportunity qualifies for funding under subsection (1).

(4) Investment development revenue, including a portion of the proceeds from the sale of any public-private partnership investment designated in subsection (1), shall be deposited into the fund created in subsection (1) and shall be available for administration, development, financing, marketing, and operating expenditures associated with public-private partnerships, unless otherwise provided by law. Public-private partnership investments authorized in subsection (1) are authorized for public or private operation or sale consistent with state law. Expenditures from the fund are authorized for investment purposes as designated in subsection (1) to enhance the marketable value of each investment. The unencumbered balance remaining in the fund at the end of the fiscal year may be carried forward for appropriation in future years.

(5) An annual report shall be transmitted to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget office not later than December 31 of each year. This report shall detail both of the following:

(a) The revenue and expenditure activity in the fund for the preceding fiscal year.

(b) Public-private partnership investments as identified under subsection (1).

Sec. 925a. The funds appropriated in part 1 shall not be used to support any staff effort, projects, consultant expenses, or any other activity related to the development, financing, construction, operation, or implementation of the Detroit River International Crossing.

Sec. 926. Unexpended appropriations of the John R. Justice grant program are designated as work project appropriations and shall not lapse at the end of the fiscal year and shall continue to be available for expenditure until the project has been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to provide student loan forgiveness to qualified public defenders and prosecutors.

(b) The project will be accomplished by utilizing state employees or contracts with private vendors, or both.

(c) The total estimated cost of the project is \$282,100.00.

(d) The tentative completion date is September 30, 2012.

Sec. 927. The department of treasury shall submit annual progress reports to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies, regarding personal property tax audits funded under subsection (1). The report shall include the number of audits, revenue generated, and number of complaints received by the department related to the audits.

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

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

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

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

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

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

Sec. 934. (1) The department of treasury may expend revenues received under the hospital finance authority act, 1969 PA 38, MCL 331.31 to 331.84, the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1076, the higher education facilities authority act, 1969 PA 295, MCL 390.921 to 390.934, the Michigan public educational facilities authority, Executive Reorganization Order No. 2002-3, MCL 12.192, the Michigan tobacco settlement finance authority act, 2005 PA 226, MCL 129.261 to 129.279, the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, part 505 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.50501 to 324.50522, the state housing development authority act of 1966, 1966 PA 346, MCL 125.1401 to 125.1499c, and the Michigan finance authority, Executive Reorganization Order No. 2010-2, MCL 12.194, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, grants to the civil service commission and state employees' retirement fund, and other expenses as allowed under those acts. The department of treasury shall maintain accounting records in sufficient detail to enable the hospital clients and educational institution clients to be reimbursed periodically for fees that are determined by the department of treasury to be surplus to needs.

(2) The department of treasury shall report by June 30, 2011 to the senate and house appropriations subcommittees, the senate and house fiscal agencies, and the state budget director on the amount and purpose of expenditures made under subsection (1) from funds received in addition to those appropriated in part 1. The report also shall include a listing of reimbursement of revenue, if any. The report shall cover the period of June 1, 2010 to May 31, 2011.

Sec. 938. It is the intent of the legislature that the department of treasury shall work with local units of government to improve the system for payments in lieu of taxes on purchased lands and report on their efforts by January 1.

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

Sec. 942. The department shall report on the efficacy of increased personnel for field collection provided for in part 1. The report shall contain the methodology used to generate additional revenue, the amount of additional revenue received as a direct result of the increased field staff, and an evaluation of whether this program is worth sustaining within the department. The report shall be submitted to the state budget director, the senate and house of representatives standing committees on appropriations subcommittees on general government, and the senate and house fiscal agencies by September 30.

Sec. 944. If the department hires a pension plan consultant using any of the funds appropriated in part 1, the department shall annually forward any report provided to the department by that consultant to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director.

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

Sec. 948. By December 15, the department of treasury shall report to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies the number of tax returns, to include state income tax returns, single business tax returns, and Michigan business tax returns filed online by Michigan residents in the immediately preceding fiscal year.

Sec. 949. Any funding for the beverage container redemption antifraud fund from the appropriation included in 2009 PA 140 for the beverage container redemption antifraud program shall be used for the purposes described in the beverage container redemption antifraud act, 2008 PA 388, MCL 445.631 to 445.643. Any remaining funds available after the distribution has been made to the border counties shall be made available to the next tier of counties north of the border counties for the same purposes.

## **REVENUE SHARING**

Sec. 950. (1) The funds appropriated in part 1 for constitutional revenue sharing shall be distributed by the department to cities, villages, and townships, as required under section 10 of article IX of the state constitution of 1963. Revenue collected in accordance with section 10 of article IX of the state constitution of 1963 in excess of the amount appropriated in part 1 for constitutional revenue sharing is appropriated for distribution to cities, villages, and townships, on a population basis as required under section 10 of article IX of the state constitution of 1963.

(2) The funds appropriated in part 1 for statutory revenue sharing shall be distributed to cities, villages, and townships so that the combined distribution, under section 10 of article IX of the state constitution of 1963, and statutory revenue sharing, as set forth in this subsection, shall be the lesser of 100%, or the percentage determined under this subsection, of the total combined distribution under section 10 of article IX of the state constitution of 1963 during the 2009-2010 state fiscal year, and the statutory distribution received under section 950 of 2009 PA 128 during the 2009-2010 state fiscal year. The percentage under this subsection shall be determined by dividing the sum of all payments under section 10 of article IX of the state constitution of 1963 for the 2010-2011 state fiscal year and \$307,061,700.00 by \$940,543,400.00. Undistributed funds shall lapse to the general fund.

Sec. 955. (1) The funds appropriated in part 1 for county revenue sharing shall be distributed by the department to eligible counties pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921.

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

## **LOTTERY**

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

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

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

## **CASINO GAMING**

Sec. 971. From the revenue collected by the Michigan gaming control board regarding the total annual assessment of each casino licensee, \$2,000,000.00 is appropriated and shall be deposited in the compulsive gaming prevention fund as described in section 12a(5) of the Michigan gaming control and revenue act, 1996 IL 1, MCL 432.212a.

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

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

(3) A county treasurer is authorized to receive and administer funds received for and on behalf of a local revenue sharing board. Funds appropriated in part 1 for local government programs may be used to audit local revenue sharing board funds held by a county treasurer. This section does not limit the ability of local units of government to enter into agreements with federally recognized Indian tribes to provide financial assistance to local units of government or to jointly provide public services.

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

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

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

Sec. 976. The racing commissioner may pay rewards of not more than \$5,800.00 to a person who provides information that results in the arrest and conviction on a felony or misdemeanor charge for a crime that involves the horse racing industry. A reward paid pursuant to this section shall be paid out of the office of racing commissioner line item.

Sec. 977. All appropriations from the Michigan agriculture equine industry development fund, except for the racing commission and laboratory analysis program appropriations, shall be reduced proportionately if revenues to the Michigan agriculture equine industry development fund decline during the fiscal year ending September 30, 2011 to a level lower than the amount appropriated in section 109(11).

Sec. 978. The Michigan gaming control board shall use actual expenditure data in determining the actual regulatory costs of conducting racing dates and shall provide that data to the senate and house appropriations subcommittees on agriculture and general government and the senate and house fiscal agencies. The Michigan gaming control board shall not be reimbursed for more than the actual regulatory cost of conducting race dates. If a certified horsemen's organization funds more than the actual regulatory cost, the balance shall remain in the agriculture equine industry development fund to be used to fund subsequent race dates conducted by race meeting licensees with which the certified horsemen's organization has contracts. If a certified horsemen's organization funds less than the actual regulatory costs of the additional horse racing dates, the Michigan gaming control board shall reduce the number of future race dates conducted by race meeting licensees with which the certified horsemen's organization has contracts. Prior to the reduction in the number of authorized race dates due to budget deficits, the executive director of the Michigan gaming control board shall provide notice to the certified horsemen's organizations with an opportunity to respond with alternatives. In determining actual costs, the Michigan gaming control board shall take into account that each specific breed may require different regulatory mechanisms.

Sec. 979. In the event there is no live thoroughbred race meet in 2010 or 2011, all purse money and program money appropriated for the thoroughbred industry in fiscal year 2009-2010 and fiscal year 2010-2011 shall be held in escrow for a period not to exceed 18 months, or until a thoroughbred race meet license is applied for and granted by the Michigan gaming control board. In the event there is no thoroughbred meet in 2010 or 2011, the purse pool distribution order to be issued by the Michigan gaming control board in 2010 that delineates distribution between the thoroughbred meet that has been held at Pinnacle race course and the joint thoroughbred/quarterhorse meet held in Mt. Pleasant shall be the same distribution formula as issued in 2010, with the thoroughbred portion being held in escrow.

## **HOUSING AND COMMUNITY DEVELOPMENT**

Sec. 980. MSHDA shall annually present a report to the state budget office and the subcommittees on the status of the authority's housing production goals under all financing programs established or administered by the authority. The report shall give special attention to efforts to raise affordable multifamily housing production goals.

Sec. 981. The department and MSHDA shall report to the subcommittees, the state budget director, and the fiscal agencies by December 1 on the status of the loans entered into by the Michigan broadband development authority.

Sec. 982. MSHDA shall provide a report to the subcommittees, the fiscal agencies, and the state budget director by December 1 on the cities of promise blight elimination program. The report shall include:

- (a) The amount awarded to each designated city.
- (b) A description of the projects in each designated city.
- (c) The amount of private or local funds that were used as match for these projects.

Sec. 983. In addition to the amounts appropriated in part 1 for the administration of the land bank fast track authority, the authority may expend revenues received under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, for the purposes authorized by the act including, but not limited to, the acquisition, lease, management, demolition, maintenance, or rehabilitation of real or personal property, payment of debt service for notes or bonds issued by the authority, and other expenses to clear or quiet title property held by the authority.

Sec. 984. In addition to the funds appropriated in part 1, the funds collected by state historic preservation programs for document reproduction and services and application fees are appropriated for all expenses necessary to provide the required services. These funds are available for expenditure when they are received and may be carried forward into the succeeding fiscal year.

Sec. 985. (1) From the funds appropriated in part 1 to MSHDA, \$200,000.00 may be allocated to the Michigan housing and community development fund. If allocated, these funds are appropriated from the fund to MSHDA for projects as described in sections 58c and 58d of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1458c and 125.1458d.

(2) MSHDA shall report by May 1 to the senate and house appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director on the status of the projects described in subsection (1), including the statewide allocation plan, the number of applicants, the amounts requested, a description of projects, the amounts awarded, the number of housing units that have been or are projected to be created, and the income levels of the households that have been or are projected to be served.

## **MICHIGAN STRATEGIC FUND**

Sec. 1001. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$10,000,000.00 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 \$1,000,000.00 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 \$700,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 1003. The Michigan growth capital fund shall be used to develop the technology business sector in Michigan. The Michigan growth capital fund will be used to encourage private and public investment in the technology business sector, and all of the following apply:

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

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

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

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

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

Sec. 1004. In addition to the appropriations in part 1, Travel Michigan may establish and collect a fee to cover the cost of materials and processing of photographic prints, slides, videotapes, and travel product database information that are requested by the media and other segments of the public and private sectors. The fees collected shall be appropriated for all expenses necessary to purchase and distribute these photographic prints, slides, videotapes, and travel product database information. The funds are available for expenditure when they are received by the department of treasury.

Sec. 1005. In addition to the appropriations in part 1, Travel Michigan may receive and expend private revenue related to the use of the "Michigan Great Lakes. Great Times.", "The Upper Hand", and "Pure Michigan" copyrighted slogans and images. This revenue may come from the direct licensing of the name and image or from the royalty payments from various merchandise sales. Revenue collected is appropriated for the marketing of the state as a travel destination. The funds are available for expenditure when they are received by the department of treasury.

Sec. 1006. The fund shall submit on February 15 to the subcommittees, the state budget office, and the fiscal agencies a listing of all grants which have been awarded by the fund or by the Michigan economic development corporation from the funds appropriated in part 1. The list shall include all of the following:

- (a) The name of the recipient.
- (b) The amount awarded to the recipient.
- (c) The purpose of the grant.

Sec. 1007. (1) The fund shall provide reports to the relevant subcommittees, the state budget director, and the fiscal agencies concerning the activities of the Michigan economic development corporation grants and investment programs financed from the fund using investment or Indian gaming revenues. The report shall provide a list of individual grants and loans made from the fund. The report shall include, but not be limited to, the following programs funded in part 1:

(a) Travel Michigan, including any expenditures authorized under section 89b of the Michigan strategic fund act, 1984 PA 270, MCL 125.2089b, to supplement the Michigan promotion program. The report shall include the number of commercials produced, the markets in which media buys have been made, and any web-based products that were created with these funds.

(b) Business attraction, retention, and growth, including any expenditures authorized under section 89b of the Michigan strategic fund act, 1984 PA 270, MCL 125.2089b, to supplement the Michigan business marketing program. The report shall include the number of commercials produced, the markets in which media buys have been made, and any web-based products that were created as a result of this appropriation.

- (c) Business services.
- (d) Community development block grants.
- (e) Strategic fund administration.
- (f) Renaissance zones.
- (g) 21st century investment program.
- (h) Business and clean air ombudsman.
- (i) Economic development job training program grants.
- (j) Any other programs of the fund.

(2) The reports in subsection (1) shall be submitted by January 15. The report for each program in subsection (1)(a) through (j) shall include details on all revenue sources, actual expenditures, and number of FTEs for that program for the previous fiscal year.

Sec. 1008. As a condition of receiving funds under part 1, any interlocal agreement entered into by the fund shall include language which states that if a local unit of government has a contract or memorandum of understanding with a private economic development agency, the Michigan economic development corporation will work cooperatively with that private organization in that local area.

Sec. 1009. (1) Of the funds appropriated to the fund or through grants to the Michigan economic development corporation, no funds shall be expended for the purchase of options on land or the purchase of land unless at least 1 of the following conditions applies:

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

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

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

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

Sec. 1011. (1) From the general fund/general purpose appropriations in part 1 to the fund and granted or transferred to the Michigan economic development corporation, any unexpended or unencumbered balance shall be disposed of in accordance with the requirements in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, unless carryforward authorization has been otherwise provided for.

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

Sec. 1012. (1) As a condition of receiving funds under part 1, the fund shall ensure that the MEDC and the fund comply with all of the following:

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

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

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

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

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

Sec. 1013. As a condition for receiving the appropriations in part 1, any staff of the Michigan economic development corporation involved in private fund-raising activities shall not be party to any decisions regarding the awarding of grants or tax abatements from the fund, the Michigan economic development corporation, or the Michigan economic growth authority.

Sec. 1014. (1) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination of these or accrued interest originally distributed as part of the core communities fund, created by 2000 PA 291, shall be received, held, and applied by the fund for the purposes described in 2000 PA 291.

(2) The fund shall provide an annual report on the status of this fund which includes information that details the awards made. The report shall be provided to the appropriations subcommittees on general government, the fiscal agencies, and the state budget office by January 31.

Sec. 1020. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 and that do not require additional state matching funds are appropriated for the purposes intended. The fund may carry forward into the succeeding fiscal year unexpended federal pass-through funds to local institutions and governments that do not require additional state matching funds. The fund shall report the amount and source of the funds to the senate appropriation subcommittee on economic development, the house appropriation subcommittee on general government, the senate and house fiscal agencies, and the state budget office within 10 business days after receiving any additional pass-through funds.

Sec. 1023. The fund shall coordinate tourism promotion with the tourism industry. The fund shall submit a report by July 1 to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies on the geographical locations and recreational activities used in Michigan tourism promotional material.

Sec. 1024. From the funds appropriated in part 1 for the jobs for Michigan investment program: 21st century jobs fund, not less than \$1,400,000.00 shall be granted by the Michigan strategic fund board to the Michigan small business and technology development centers to be used for the SBIR or STTR grant or loan matching program. These funds shall only be used to provide the required match. Grants or loans under this section shall not exceed 25% of the federal funds and must leverage third-party commercialization funding at both the phase I and phase II levels.

Sec. 1025. (1) Of the funds appropriated in part 1 for jobs for Michigan investment program: 21st century jobs fund, \$250,000.00 shall be allocated to the Michigan aerospace manufacturers association, a nonprofit, tax-exempt, aerospace-based manufacturing association, for organizational assistance and to advance and promote the aerospace manufacturing community in the state of Michigan within the global economy.

(2) The Michigan aerospace manufacturers association and the defense contract coordination center shall work cooperatively to advance and promote Michigan aerospace-based manufacturing.

Sec. 1027. Of the funds appropriated in part 1 for jobs for Michigan investment program: 21st century jobs fund, \$3,000,000.00 may be allocated to Lakeshore Advantage for the same purposes as the fiscal year 2007-2008 allocation.

Sec. 1028. From the funds appropriated in part 1 for jobs for Michigan investment program: 21st century jobs fund, no more than \$25,000,000.00 of the appropriation shall be awarded, expended, or committed during the first quarter of the fiscal year.

Sec. 1029. The unexpended portion of funds appropriated in 2005 PA 225 for the 21st century jobs trust fund programs that total \$6,450,000.00 are appropriated for the same purpose for the fiscal year ending September 30, 2010.

Sec. 1030. Up to \$10,000,000.00 from the unreserved general fund/general purpose fund balance for the fiscal year ending September 30, 2010 is appropriated to the Michigan strategic fund agency as a grant to the Detroit institute of arts. If the unreserved general fund/general purpose fund balance is less than \$10,000,000.00, the amount appropriated to the Michigan strategic fund agency shall be reduced so that it does not exceed the total unreserved fund balance.

Sec. 1032. (1) The Michigan film office shall report to the subcommittees and the fiscal agencies on the status of the film incentives at the same time as it submits the annual report required under section 455 of the Michigan business tax act, 2007 PA 36, MCL 208.1455. The department of treasury and the Michigan strategic fund shall provide the Michigan film office with the data necessary to prepare the report. Incentives included in the report shall include all of the following:

- (a) The tax credit provided under section 455 of the Michigan business tax act, 2007 PA 36, MCL 208.1455.
- (b) The tax credit provided under section 457 of the Michigan business tax act, 2007 PA 36, MCL 208.1457.
- (c) The tax credit provided under section 459 of the Michigan business tax act, 2007 PA 36, MCL 208.1459.
- (d) The amount of any tax credit claimed under section 367 of the income tax act of 1967, 1967 PA 281, MCL 206.367.
- (e) Any tax credits provided for film and digital media production under the Michigan economic growth authority act, 1995 PA 24, MCL 207.801 to 207.810.
- (f) Loans to an eligible production company or film and digital media private equity fund authorized under section 88d(3), (4), and (5) of the Michigan strategic fund act, 2005 PA 225, MCL 125.2088d.

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

(a) For each tax credit, the number of contracts signed, the projected expenditures qualifying for the credit, and the estimated value of the credits. For loans, the number of loans made under each section, the interest rate of those loans, the loan amount, the percent of the projected budget of each production financed by those loans, and the estimated interest earnings from the loan.

(b) For credits authorized under section 455 of the Michigan business tax act, 2007 PA 36, MCL 208.1455, for productions completed by December 31, the expenditures of each production eligible for the credit that has filed a request for certificate of completion with the film office, broken down into expenditures for goods, services, or salaries and wages and showing separately expenditures in each local unit of government, including expenditures for personnel, whether or not they were made to a Michigan entity, and whether or not they were taxable under the laws of this state. For loans, the report shall include the number of loans that have been fully repaid, with principal and interest shown separately, and the number of loans that are delinquent or in default, and the amount of principal that is delinquent or in default.

(c) For each of the tax credit incentives and loan incentives listed in subsection (1), a breakdown for each project or production showing each of the following:

- (i) The number of temporary jobs created.
- (ii) The number of permanent jobs created.
- (iii) The number of persons employed in Michigan as a result of the incentive, on a full-time equated basis.

(3) For any information not included in the report due to the provisions of sections 455(6), 457(6), or 459(6) of the Michigan business tax act, 2007 PA 36, MCL 208.1455, 208.1457, and 208.1459, the report shall do all of the following:

(a) Indicate how the information would describe the commercial and financial operations or intellectual property of the company.

(b) Attest that the information has not been publicly disseminated at any time.

(c) Describe how disclosure of the information may put the company at a competitive disadvantage.

(4) Any information not disclosed due to the provisions of sections 455(6), 457(6), or 459(6) of the Michigan business tax act, 2007 PA 36, MCL 208.1455, 208.1457, and 208.1459, shall be presented at the lowest level of aggregation that would no longer describe the commercial and financial operations or intellectual property of the company.

Sec. 1033. The fund shall make available to the public the minutes of the Michigan film office advisory council.

Sec. 1034. (1) From the funds appropriated in part 1 for the jobs for Michigan investment program: 21st century jobs fund, \$1,300,000.00 shall be used to fund business incubators. The Michigan strategic fund shall award a grant to 1 high-performance business incubator in each of the following counties or cities:

- (a) Houghton County.
- (b) A city with a population in the 2000 census between 119,000 and 120,000 and that experienced a population loss between 8% and 9% between the 1990 census and the 2000 census.
- (c) Isabella County.
- (d) Kalamazoo County.
- (e) Kent County.
- (f) Macomb County.
- (g) Muskegon County.
- (h) Oakland County.
- (i) Washtenaw County.
- (j) A city with a population greater than 750,000.

(2) Grant funding awarded under this section may be used to fund satellite locations, as determined by the Michigan strategic fund.

(3) Eligible recipients for these awards must be operational on October 1 and submit a comprehensive business plan that demonstrates sustainable operating capacity.

(4) There shall be \$250,000.00 awarded to an eligible business incubator within Macomb County and \$250,000.00 awarded to an eligible business incubator within Oakland County. Each remaining county or city shall be awarded \$100,000.00 for an eligible business incubator. No unit of local government listed in this subsection shall receive more than 1 award.

(5) Awards shall be announced by March 31, 2011.

Sec. 1035. (1) From the appropriation in part 1, the Michigan council for arts and cultural affairs shall administer an arts and cultural grant program that maintains an equitable geographic distribution of funding and utilizes past arts and cultural grant programs as a guideline for administering this program. The council shall do all of the following:

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

(b) A nonrefundable application fee may be assessed for each application. Application fees shall be deposited in the council for the arts fund and are appropriated for expenses necessary to administer the programs. These funds are available for expenditure when they are received and may be carried forward to the following fiscal year.

(c) Grants are to be made to public and private arts and cultural entities.

(d) Within 1 business day after the award announcements, the council shall provide to each member of the legislature and the fiscal agencies a list of all grant recipients and the total award given to each recipient, sorted by county.

(2) Up to \$100,000.00 from the appropriation in part 1 for arts and cultural program may be used for the administration of this grant program.

**REVENUE STATEMENT**

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

BUDGET RECOMMENDATIONS BY OPERATING FUNDS  
(Amounts in millions)  
Fiscal Year 2010-2011

	Fund	Beginning Unreserved Fund Balance	Estimated Revenue	Ending Balance
<b>OPERATING FUNDS</b>				
General fund/general purpose .....	0110	33.1	7,969.9	4.6
General fund/special purpose.....		548.9	22,754.3	619.6

Special Revenue Funds:

Countercyclical budget and economic stabilization.....	0111	2.2	0.0	2.2
Game and fish protection.....	0112	4.2	63.1	1.2
Michigan employment security act administration.....	0113	15.0	12.0	15.0
State aeronautics.....	0114	4.2	131.4	0.1
Michigan veterans' benefit trust.....	0115	0.0	5.0	0.0
State trunkline.....	0116	(13.2)	1,309.7	(19.7)
Michigan state waterways.....	0117	1.5	27.5	0.0
Blue Water Bridge.....	0118	13.2	21.3	19.7
Michigan transportation.....	0119	0.0	1,796.9	0.0
Comprehensive transportation.....	0120	6.6	304.8	0.0
School aid.....	0122	0.0	12,727.4	0.0
Game and fish protection trust.....	0124	6.0	8.1	6.0
State park improvement.....	0125	0.5	38.2	0.0
Forest development.....	0126	1.0	28.0	0.0
Michigan civilian conservation corps endowment.....	0128	0.0	0.0	0.0
Michigan natural resources trust.....	0129	31.2	45.6	28.1
Michigan state parks endowment.....	0130	0.0	10.4	0.0
Safety education and training.....	0131	7.1	9.2	8.0
Bottle deposit.....	0136	0.0	10.8	0.0
State construction code.....	0138	5.8	7.4	2.8
Children's trust.....	0139	1.1	3.8	0.9
State casino gaming.....	0140	1.9	34.2	2.0
Homeowner construction lien recovery.....	0141	0.0	0.0	0.0
Michigan nongame fish and wildlife.....	0143	0.1	0.3	0.0
Michigan merit award trust.....	0154	6.1	175.2	0.0
Outdoor recreation legacy.....	0162	0.2	2.2	0.0
Off-road vehicle account.....	0163	0.2	3.3	0.1
Snowmobile account.....	0164	0.3	11.0	0.0
Silicosis dust disease and logging.....	0870	2.3	1.9	2.3
Utility consumer representation.....	0893	1.2	1.2	1.0
TOTALS.....		\$680.7	\$47,514.1	\$693.9

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved.....

.....  
Governor





STATE OF MICHIGAN  
OFFICE OF THE GOVERNOR  
LANSING

JENNIFER M. GRANHOLM  
GOVERNOR

JOHN D. CHERRY, JR.  
LT. GOVERNOR

September 30, 2010

Michigan House of Representatives  
State Capitol  
Lansing, Michigan 48909

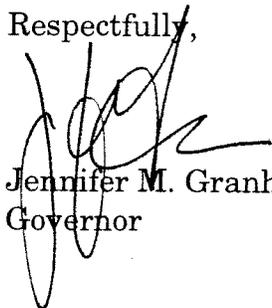
Ladies and Gentlemen:

Today I have signed Enrolled House Bill 5880, the Fiscal Year 2011 General Government budget bill, providing funding for the departments of Attorney General, Civil Rights, State, Technology, Management and Budget, Treasury, as well as the Executive Office, Legislature, and Legislative Auditor General. This budget will provide over \$3 billion in funding for the necessary operations of government in the state of Michigan, including over \$1 billion in vital revenue sharing grants to our local governments.

I am, however, returning it to you because of one item of which I disapprove, pursuant to Article V, Section 19 of the Michigan Constitution of 1963. The specific veto is contained in the attached copy of the bill, which has been filed with the Secretary of State. I have disapproved proposed appropriations in section 314 because the language effectively authorizes spending in excess of target agreements set for the Department of Attorney General.

While I found it necessary to disapprove a portion of this bill, I thank the Legislature for its work on completing the Fiscal Year 2011 General Government budget bill.

Respectfully,



Jennifer M. Granholm  
Governor

c: Michigan Senate  
The Honorable Terri Lynn Land



# HIGHER EDUCATION



Act No. 203  
 Public Acts of 2010  
 Approved by the Governor  
 October 11, 2010  
 Filed with the Secretary of State  
 October 12, 2010  
 EFFECTIVE DATE: October 12, 2010

**STATE OF MICHIGAN  
 95TH LEGISLATURE  
 REGULAR SESSION OF 2010**

Introduced by Senator Stamas

# ENROLLED SENATE BILL No. 1157

AN ACT to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2011; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for higher education for the fiscal year ending September 30, 2011, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**HIGHER EDUCATION**

**APPROPRIATION SUMMARY**

Full-time equated classified positions.....1.0		
GROSS APPROPRIATION .....	\$	1,578,278,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	1,578,278,500
Federal revenues:		
Total federal revenues .....		4,500,000
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues .....		30,400,000
State general fund/general purpose .....	\$	1,543,378,500

**SUBPART A - RESEARCH UNIVERSITIES**

**Sec. 102. MICHIGAN STATE UNIVERSITY**

Operations.....	\$	283,685,200
Agricultural experiment station .....		33,243,100
Cooperative extension service .....		<u>28,672,600</u>
GROSS APPROPRIATION .....	\$	345,600,900
Appropriated from:		
State general fund/general purpose .....	\$	345,600,900

<b>Sec. 103. UNIVERSITY OF MICHIGAN - ANN ARBOR</b>	
Operations .....	\$ 316,254,500
GROSS APPROPRIATION .....	\$ 316,254,500
Appropriated from:	
State general fund/general purpose .....	\$ 316,254,500
 <b>Sec. 104. WAYNE STATE UNIVERSITY</b>	
Operations .....	\$ 214,171,400
GROSS APPROPRIATION .....	\$ 214,171,400
Appropriated from:	
State general fund/general purpose .....	\$ 214,171,400
 <b>SUBPART B - STATE UNIVERSITIES</b>	
 <b>Sec. 105. CENTRAL MICHIGAN UNIVERSITY</b>	
Operations .....	\$ 80,132,000
GROSS APPROPRIATION .....	\$ 80,132,000
Appropriated from:	
State general fund/general purpose .....	\$ 80,132,000
 <b>Sec. 106. EASTERN MICHIGAN UNIVERSITY</b>	
Operations .....	\$ 76,026,200
GROSS APPROPRIATION .....	\$ 76,026,200
Appropriated from:	
State general fund/general purpose .....	\$ 76,026,200
 <b>Sec. 107. FERRIS STATE UNIVERSITY</b>	
Operations .....	\$ 48,619,200
GROSS APPROPRIATION .....	\$ 48,619,200
Appropriated from:	
State general fund/general purpose .....	\$ 48,619,200
 <b>Sec. 108. GRAND VALLEY STATE UNIVERSITY</b>	
Operations .....	\$ 61,976,400
GROSS APPROPRIATION .....	\$ 61,976,400
Appropriated from:	
State general fund/general purpose .....	\$ 61,976,400
 <b>Sec. 109. LAKE SUPERIOR STATE UNIVERSITY</b>	
Operations .....	\$ 12,694,200
GROSS APPROPRIATION .....	\$ 12,694,200
Appropriated from:	
State general fund/general purpose .....	\$ 12,694,200
 <b>Sec. 110. MICHIGAN TECHNOLOGICAL UNIVERSITY</b>	
Operations .....	\$ 47,924,200
GROSS APPROPRIATION .....	\$ 47,924,200
Appropriated from:	
State general fund/general purpose .....	\$ 47,924,200
 <b>Sec. 111. NORTHERN MICHIGAN UNIVERSITY</b>	
Operations .....	\$ 45,140,300
GROSS APPROPRIATION .....	\$ 45,140,300
Appropriated from:	
State general fund/general purpose .....	\$ 45,140,300
 <b>Sec. 112. OAKLAND UNIVERSITY</b>	
Operations .....	\$ 50,761,300
GROSS APPROPRIATION .....	\$ 50,761,300

Appropriated from:  
State general fund/general purpose ..... \$ 50,761,300

**Sec. 113. SAGINAW VALLEY STATE UNIVERSITY**

Operations ..... \$ 27,720,700  
GROSS APPROPRIATION ..... \$ 27,720,700

Appropriated from:  
State general fund/general purpose ..... \$ 27,720,700

**Sec. 114. UNIVERSITY OF MICHIGAN - DEARBORN**

Operations ..... \$ 24,726,200  
GROSS APPROPRIATION ..... \$ 24,726,200

Appropriated from:  
State general fund/general purpose ..... \$ 24,726,200

**Sec. 115. UNIVERSITY OF MICHIGAN - FLINT**

Operations ..... \$ 20,898,000  
GROSS APPROPRIATION ..... \$ 20,898,000

Appropriated from:  
State general fund/general purpose ..... \$ 20,898,000

**Sec. 116. WESTERN MICHIGAN UNIVERSITY**

Operations ..... \$ 109,615,100  
GROSS APPROPRIATION ..... \$ 109,615,100

Appropriated from:  
State general fund/general purpose ..... \$ 109,615,100

**SUBPART C - GRANTS AND FINANCIAL AID**

**Sec. 117. STATE AND REGIONAL PROGRAMS**

Full-time equated positions ..... 1.0  
Higher education database modernization and conversion—1.0 FTE position..... \$ 105,000  
Midwestern higher education compact ..... 95,000  
GROSS APPROPRIATION ..... \$ 200,000

Appropriated from:  
State general fund/general purpose ..... \$ 200,000

**Sec. 118. MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAM**

Select student supportive services..... \$ 1,956,100  
Michigan college/university partnership program..... 586,800  
Morris Hood, Jr. educator development program..... 148,600  
GROSS APPROPRIATION ..... \$ 2,691,500

Appropriated from:  
State general fund/general purpose ..... \$ 2,691,500

**Sec. 119. GRANTS AND FINANCIAL AID**

State competitive scholarships ..... \$ 19,861,700  
Tuition grants ..... 31,664,700  
Robert C. Byrd honors scholarship program ..... 1,500,000  
Tuition incentive program ..... 37,400,000  
Children of veterans and officer's survivor tuition grant programs ..... 1,200,000  
Project gear-up..... 1,500,000  
GROSS APPROPRIATION ..... \$ 93,126,400

Appropriated from:  
Federal revenues:  
Higher education act of 1965, title IV, 20 USC..... 1,500,000  
Higher education act of 1965, title IV, part A..... 1,500,000  
United States department of education, office of elementary and secondary education, gear-up .. 1,500,000

For Fiscal Year  
Ending Sept. 30,  
2011

Special revenue funds:	
Michigan merit award trust fund.....	\$ 30,100,000
Contributions to children of veterans tuition grant program .....	300,000
State general fund/general purpose .....	\$ 58,226,400

## PART 2

### PROVISIONS CONCERNING APPROPRIATIONS

#### **GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under this act for fiscal year 2010-2011 is \$1,573,778,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2010-2011 is \$0.

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

Sec. 203. As used in this act, "research university" means a public university classified as a "research university (very high research activity)" under the 2005 classification of institutions of higher education conducted by the Carnegie foundation for the advancement of teaching.

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

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

Sec. 210. It is the intent of the legislature that the funds appropriated in part 1 to state institutions of higher education shall not be used to enter into a lease or to purchase a vehicle assembled or manufactured outside of the United States, and that preference be given to vehicles assembled or manufactured in Michigan.

Sec. 211. The principal executive officer of each public university receiving appropriations in part 1 shall take all reasonable steps to ensure that businesses in deprived and depressed communities compete for and perform contracts to provide services, supplies, or both. Each principal executive officer shall strongly encourage firms with which the university contracts to subcontract with businesses in depressed and deprived communities for services, supplies, or both.

Sec. 212. (1) The funds appropriated in part 1 to public universities shall be paid out of the state treasury and distributed by the state treasurer to the respective institutions in 11 equal monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, 2010. Except for Wayne State University, each institution shall accrue its July and August 2011 payments to its institutional fiscal year ending June 30, 2011.

(2) All public universities shall submit higher education institutional data inventory (HEIDI) data and associated financial and program information requested by and in a manner prescribed by the state budget director. For public universities with fiscal years ending June 30, 2010, these data shall be submitted to the state budget director by October 15, 2010. Public universities with a fiscal year ending September 30, 2010 shall submit preliminary HEIDI data by November 15, 2010 and final data by December 15, 2010. If a public university fails to submit HEIDI data and associated financial aid program information in accordance with this reporting schedule, the state treasurer shall withhold the monthly installments under subsection (1) to the public university until those data are submitted.

(3) A detailed description of procedures utilized to arrive at the amounts appropriated in part 1 shall be submitted to each institution by the senate and house fiscal agencies.

Sec. 213. Funds received by the state from the federal government or private sources for the use of a college or university are appropriated for the purposes for which they are provided. The acceptance and use of federal or private funds do not place an obligation upon the legislature to continue the purposes for which the funds are made available.

Sec. 214. If section 274 of the income tax act of 1967, 1967 PA 281, MCL 206.274, is not repealed and if a public university that receives funds under this act notifies the department of treasury regarding its tuition and fee rates in order to qualify as an eligible institution for the Michigan tuition tax credit under section 274 of the income tax act of 1967, 1967 PA 281, MCL 206.274, the public university shall also submit the notification and applicable documentation of tuition and fee changes to the house and senate fiscal agencies.

Sec. 215. A public university that receives funds under this act shall furnish all program and financial information that is required by and in a manner prescribed by the state budget director or the house or senate appropriations committee.

Sec. 216. A public university receiving funds in part 1 shall cooperate with all measures taken by the state to establish a statewide P-20 education longitudinal data system to comply with the state fiscal stabilization fund provisions of the American recovery and reinvestment act of 2009, Public Law 111-5.

Sec. 218. In an effort to better improve transparency and to further identify effective educational practices, it is the intent of the legislature that a public university receiving an appropriation in part 1 shall develop, post, and maintain a user-friendly and publicly accessible Internet site, with all expenditures made by the university within a fiscal year. The posting must include the purpose for which the expenditure is made. A public university shall not provide financial information on its website under this section if doing so would violate a federal or state law, rule, regulation, or guideline that establishes privacy or security standards applicable to that section. A public university shall not expend more than \$100.00 from the appropriations in part 1 to implement the requirements of this section.

## **GRANTS AND FINANCIAL AID**

Sec. 301. (1) Payments of the amounts included in part 1 for the state competitive scholarship program shall be distributed pursuant to 1964 PA 208, MCL 390.971 to 390.981.

(2) Pursuant to section 6 of 1964 PA 208, MCL 390.976, the department of treasury shall determine an actual maximum state competitive scholarship award per student, which shall be no less than \$1,300.00, that ensures that the aggregate payments for the state competitive scholarship program do not exceed the appropriation contained in part 1 for the state competitive scholarship program. If the department determines that insufficient funds are available to establish a maximum award amount equal to at least \$1,300.00, the department shall immediately report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director regarding the estimated amount of additional funds necessary to establish a \$1,300.00 maximum award amount.

(3) The department of treasury shall implement a proportional competitive scholarship maximum award level for recipients enrolled less than full-time in a given semester or term.

(4) If a student who receives an award under this section has his or her tuition and fees paid under the Michigan educational trust program, pursuant to the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1442, and still has financial need, the funds awarded under this section may be used for educational expenses other than tuition and fees.

(5) If the department of treasury increases the maximum award per eligible student from that provided in the previous fiscal year, it shall not have the effect of reducing the number of eligible students receiving awards in relation to the total number of eligible applicants. Any increase in the maximum grant shall be proportional for all eligible students receiving awards.

(6) Veterans administration benefits shall not be considered in determining eligibility for the award of scholarships under 1964 PA 208, MCL 390.971 to 390.981.

Sec. 302. (1) The amounts appropriated in part 1 for the state tuition grant program shall be distributed pursuant to 1966 PA 313, MCL 390.991 to 390.997a.

(2) Tuition grant awards shall be made to all eligible Michigan residents enrolled in undergraduate degree programs who apply before July 1, 2010 and who are qualified.

(3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and subject to subsection (7), the department of treasury shall determine an actual maximum tuition grant award per student, which shall be no less than \$2,100.00, that ensures

that the aggregate payments for the tuition grant program do not exceed the appropriation contained in part 1 for the state tuition grant program. If the department determines that insufficient funds are available to establish a maximum award amount equal to at least \$2,100.00, the department shall immediately report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director regarding the estimated amount of additional funds necessary to establish a \$2,100.00 maximum award amount. By December 15, 2010, and again by February 1, 2011, the department shall analyze the status of award commitments, shall make any necessary adjustments, and shall confirm that those award commitments will not exceed the appropriation contained in part 1 for the tuition grant program. The determination and actions shall be reported to the state budget director and the house and senate fiscal agencies no later than February 15, 2011. If award adjustments are necessary, the students shall be notified of the adjustment by the third Monday in February.

(4) Any unexpended and unencumbered funds remaining on September 30, 2011 from the amounts appropriated in part 1 for the tuition grant program shall not lapse on September 30, 2011, but shall continue to be available for expenditure for tuition grants provided in the 2011-2012 fiscal year under a work project account. The use of these unexpended fiscal year 2010-2011 funds shall terminate at the end of the 2011-2012 fiscal year.

(5) The department of treasury shall continue a proportional tuition grant maximum award level for recipients enrolled less than full-time in a given semester or term.

(6) If the department of treasury increases the maximum award per eligible student from that provided in the previous fiscal year, it shall not have the effect of reducing the number of eligible students receiving awards in relation to the total number of eligible applicants. Any increase in the maximum grant shall be proportional for all eligible students receiving awards for fiscal year 2010-2011.

(7) The department of treasury shall not award more than \$3,000,000.00 in tuition grants to eligible students enrolled in the same independent nonprofit college or university in this state. Any decrease in the maximum grant shall be proportional for all eligible students enrolled in that college or university, as determined by the department.

Sec. 307. The auditor general may audit selected enrollments, degrees, and awards at selected independent colleges and universities receiving awards administered by the department of treasury. The audits shall be based upon definitions and requirements established by the department of treasury, the state budget director, and the senate and house fiscal agencies. The auditor general shall accept the Free Application for Federal Student Aid (FAFSA) form as the standard of residency documentation. The auditor general shall submit a report of findings to the senate and house appropriations committees and state budget director by May 1, 2011.

Sec. 308. The sums appropriated in part 1 for the student financial aid programs shall be paid out of the state treasury and shall be distributed to the respective institutions under a quarterly payment system as follows:

(a) For the state competitive scholarship, tuition incentive, and tuition grant programs, 40% shall be paid at the beginning of the state's first fiscal quarter, 40% at the beginning of the state's second fiscal quarter, 10% at the beginning of the state's third fiscal quarter, and 10% at the beginning of the state's fourth fiscal quarter.

(b) For the Robert C. Byrd honors scholarship program, 50% shall be paid at the beginning of the state's first fiscal quarter and 50% at the beginning of the state's second fiscal quarter.

Sec. 309. The department of treasury shall determine the needs analysis criteria for students to qualify for the state competitive scholarship program and tuition grant program. To be consistent with federal requirements, student wages may be taken into consideration when determining the amount of the award.

Sec. 310. (1) The funds appropriated in part 1 for the tuition incentive program shall be distributed as provided in this section and pursuant to the administrative procedures for the tuition incentive program of the department of treasury.

(2) As used in this section:

(a) "Phase I" means the first part of the tuition incentive assistance program defined as the academic period of 80 semester or 120 term credits, or less, leading to an associate degree or certificate.

(b) "Phase II" means the second part of the tuition incentive assistance program which provides assistance in the third and fourth year of 4-year degree programs.

(c) "Department" means the department of treasury.

(3) A person shall meet the following basic criteria and financial thresholds to be eligible for tuition incentive benefits:

(a) To be eligible for phase I, a person shall meet all of the following criteria:

(i) Apply for certification to the department before graduating from high school or completing the general education development (GED) certificate.

(ii) Be less than 20 years of age at the time of high school graduation or GED completion.

(iii) Be a United States citizen and a resident of Michigan according to institutional criteria.

(iv) Be at least a half-time student, earning less than 80 semester or 120 term credits at a participating educational institution within 4 years of high school graduation or GED certificate completion.

(v) Request information on filing a FAFSA.

(b) To be eligible for phase II, a person shall meet either of the following criteria in addition to the criteria in subdivision (a):

(i) Complete at least 56 transferable semester or 84 transferable term credits.

(ii) Obtain an associate degree or certificate at a participating institution.

(c) To be eligible for phase I or phase II, a person must not be incarcerated and must be financially eligible as determined by the department. A person is financially eligible for the tuition incentive program if that person was Medicaid eligible for 24 months within the 36 months before application. Certification of eligibility may begin in the sixth grade.

(4) For phase I, the department shall provide payment on behalf of a person eligible under subsection (3). The department shall reject billings that are excessive or outside the guidelines for the type of educational institution.

(5) For phase I, all of the following apply:

(a) Payments for associate degree or certificate programs shall not be made for more than 80 semester or 120 term credits for any individual student at any participating institution.

(b) For persons enrolled at a Michigan community college, the department shall pay the current in-district tuition and mandatory fees. For persons residing in an area that is not included in any community college district, the out-of-district tuition rate may be authorized.

(c) For persons enrolled at a Michigan public university, the department shall pay lower division resident tuition and mandatory fees for the current year.

(d) For persons enrolled at a Michigan independent, nonprofit degree-granting college or university, or a Michigan federal tribally controlled community college, or Focus: HOPE, the department shall pay mandatory fees for the current year and a per-credit payment that does not exceed the average community college in-district per-credit tuition rate as reported on August 1, for the immediately preceding academic year.

(6) A person participating in phase II may be eligible for additional funds not to exceed \$500.00 per semester or \$400.00 per term up to a maximum of \$2,000.00 subject to the following conditions:

(a) Credits are earned in a 4-year program at a Michigan degree-granting 4-year college or university.

(b) The tuition reimbursement is for coursework completed within 30 months of completion of the phase I requirements.

(7) The department shall work closely with participating institutions to develop an application and eligibility determination process that will provide the highest level of participation and ensure that all requirements of the program are met.

(8) Applications for the tuition incentive program may be approved at any time after the student begins the sixth grade. If a determination of financial eligibility is made, that determination is valid as long as the student meets all other program requirements and conditions.

(9) Each institution shall ensure that all known available restricted grants for tuition and fees are used prior to billing the tuition incentive program for any portion of a student's tuition and fees.

(10) The department shall ensure that the tuition incentive program is well publicized and that potentially eligible Medicaid clients are provided information on the program. The department shall provide the necessary funding and staff to fully operate the program.

Sec. 311. To enable the legislature and the state budget director to evaluate the appropriation needs of higher education, each independent college and university shall make available to the legislature or state budget director, upon request, data regarding grants for the preceding, current, and ensuing fiscal years.

Sec. 315. By February 15 of each year, the department of treasury shall submit a report to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies for the preceding fiscal year on all student financial aid programs for which funds are appropriated in part 1. For each student financial aid program, the report shall include, but is not limited to, the total number of awards paid in the preceding fiscal year, the total dollar amount of those awards, and the number of students receiving awards and the total amount of those awards at each eligible postsecondary institution. To the extent information is available, the report shall also include information on the average exam performance, household income, and other demographic characteristics of students receiving awards under each program and historical information on the number of awards and total award amounts for each program.

## **UNIVERSITY OPERATIONS**

Sec. 402. The University of Michigan biological station at Douglas Lake in Cheboygan County is regarded as a unique resource and is designated as a special research reserve. It is the intent of the legislature to protect and preserve the unique long-term research value and capabilities of the biological station area and Douglas Lake. The legislature further intends that no state programs or policies be developed that would have a deleterious impact on the research value of Douglas Lake.

Sec. 426. (1) It is the intent of the legislature that each public university shall develop policies for minimizing the cost of textbooks and course materials used at the university while maintaining quality of education and academic freedom. These policies should require all of the following:

(a) That faculty members submit lists of required textbooks and course materials for university review.

(b) That faculty members consider the least costly practices in assigning textbooks and course materials, such as adopting the least expensive edition of a textbook available when educational content is comparable to a more costly edition.

(c) That the university review any potential financial conflict of interest that may occur if a faculty member requires the purchase of any textbooks or course materials he or she has written.

(2) By February 1, 2011, each public university shall submit a report to the house and senate appropriations subcommittees on higher education and the house and senate fiscal agencies on the policies developed pursuant to this section.

Sec. 433. (1) Included in part 1 is \$2,982,900.00 for the agricultural experiment station and \$2,645,200.00 for the cooperative extension service for project GREEN. Project GREEN is intended to address critical regulatory, food safety, economic, and environmental problems faced by this state's plant-based agriculture, forestry, and processing industries. "GREEN" is an acronym for generating research and extension to meet environmental and economic needs.

(2) The department of agriculture and Michigan State University, in consultation with agricultural commodity groups and other interested parties, shall develop project GREEN and its program priorities.

(3) Not later than September 30, 2011, a report shall be submitted by Michigan State University to the state budget director, the house and senate appropriations subcommittees on agriculture and on higher education, and the house and senate fiscal agencies for the preceding school fiscal year regarding expenditures and programmatic outcomes of the agricultural experiment station and cooperative extension service. The report shall include, but is not limited to:

(a) Total funds expended by the agricultural experiment station and cooperative extension service identified by state, local, private, federal, and university fund sources.

(b) The dollar amount of each project GREEN project and a review of each project's performance and accomplishments.

(c) The dollar amount of each bioeconomy research and development project and a review of each project's performance and accomplishments.

(d) The dollar amount and description of all other individual programs and services provided by the agricultural experiment station and cooperative extension service and a review of each project's performance and accomplishments.

(e) The number of businesses created or that had increased employment and the number of patents generated as a result of work conducted by the agricultural experiment station and cooperative extension service.

Sec. 434. Included in the appropriation in part 1 for Michigan State University is \$80,000.00 for the Michigan future farmers of America association. This \$80,000.00 appropriation shall not supplant any existing support that Michigan State University provides to the Michigan future farmers of America association.

Sec. 436. (1) It is the intent of the legislature that, if any public university increases its resident undergraduate tuition and required fees from academic year 2009-2010 to academic year 2010-2011, then that university shall increase its fiscal year 2009-2010 general fund expenditures for student financial aid by at least the same percentage as the percentage change in resident undergraduate tuition and required fees. It is the intent of the legislature that public universities place an emphasis on increasing the number of institutional financial aid awards that are based on demonstrated financial need.

(2) Each public university shall report the following information to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director by November 1, 2010:

(a) Actual academic year 2009-2010 and academic year 2010-2011 average tuition and required fee charges for a full-time resident undergraduate student.

(b) Actual fiscal year 2009-2010 and budgeted fiscal year 2010-2011 total general fund tuition and fee revenue.

(c) Actual fiscal year 2009-2010 and budgeted fiscal year 2010-2011 total general fund revenue.

(d) Actual fiscal year 2009-2010 and budgeted fiscal year 2010-2011 general fund expenditures for student financial aid.

(e) Actual fiscal year 2009-2010 and budgeted fiscal year 2010-2011 total general fund expenditures.

(f) Actual fiscal year 2009-2010 and projected fiscal year 2010-2011 total fiscal year equated student enrollment.

(3) The state budget director shall, in consultation with the house and senate fiscal agencies, develop a uniform reporting mechanism based on standard definitions for public universities to comply with the reporting requirements of subsection (2).

Sec. 440. All public universities shall submit the amount of tuition and fees actually charged to a full-time resident undergraduate student for academic year 2010-2011 as part of their higher education institutional data inventory (HEIDI) data by August 31, 2010. A public university shall report any revisions for any semester of the reported academic year 2010-2011 tuition and fee charges to HEIDI within 15 days of being adopted.

Sec. 450. (1) For the fiscal year ending September 30, 2011, it is the intent of the legislature that an amount calculated under subsection (2) be allocated for per-student floor funding from the general fund/general purpose unreserved balances at the close of the 2009-2010 fiscal year.

(2) The amount allocated under subsection (1) for per-student floor funding is equal to \$3,775.00 per 2008-2009 fiscal-year-equated student at each university. The number of 2008-2009 students at a university is determined by reference to the higher education institutional data inventory (HEIDI).

Sec. 451. For the fiscal year ending September 30, 2011, it is the intent of the legislature that funds be allocated for unfunded North American Indian tuition waiver costs incurred by public universities under 1976 PA 174, MCL 390.1251 to 390.1253, from the general fund/general purpose unreserved balances at the close of the 2009-2010 fiscal year.

Sec. 460. From the amount appropriated in part 1 to Central Michigan University for operations, \$29,700.00 shall be paid to Saginaw Chippewa Tribal College for the costs of waiving tuition for North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

Sec. 461. From the amount appropriated in part 1 to Lake Superior State University for operations, \$100,000.00 shall be paid to Bay Mills Community College for the costs of waiving tuition for North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

Sec. 463. Not later than February 1, 2011, each of the public universities receiving appropriations in part 1 shall submit to the state budget director, members of the house of representatives and the senate, and the house and senate fiscal agencies a report on the number of residents from an eligible county enrolled at the university and the quantifiable increase from the 2009-2010 academic year to the 2010-2011 academic year in outreach efforts to enroll students at the university from an eligible county. As used in this section, "eligible county" means a county in this state that meets both of the following:

(a) Has a population of not less than 700,000 and not more than 1,000,000 according to the most recent federal decennial census.

(b) Does not contain the main campus of a 4-year public university within its boundaries.

Sec. 464. Each public university receiving an appropriation in part 1 shall submit a plan by January 15, 2011 to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies on its process to inform both the private and public sectors regarding research and technology that could be developed commercially.

Sec. 466. Public universities shall coordinate their purchases of goods and services whenever possible. This may include, but is not limited to, group purchases for vehicles, utilities, supplies, electronic equipment, maintenance equipment, books, and contractual services. To the extent possible, the public universities shall use both the "Michigan delivering extended agreements locally" (MiDEAL) purchasing services of the state department of technology, management, and budget that makes state contracts available to local units of government, colleges, and universities and the purchasing services available through the state's membership in the Midwestern Higher Education Compact (MHEC). Not later than January 1 of each year, the presidents council, state universities of Michigan shall submit to the members of the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director a report on group or pooled purchases and the savings achieved by the public universities in the previous fiscal year.

Sec. 469. By November 14, 2010, each public university receiving an appropriation in part 1 shall report the number of undergraduate students who graduated in academic year 2009-2010 and received a Pell grant at any time during their enrollment at that university to the members of the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director.

Sec. 480. (1) It is the intent of the legislature that each public university receiving an appropriation in part 1 do all of the following:

(a) Meet the provisions of section 5003 of the post-911 veterans educational assistance act of 2008, title V of Public Law 110-252, 38 USC 3301 to 3324, including voluntary participation in the yellow ribbon GI education enhancement program established in that act in 38 USC 3317. By October 1 of each year, each public university shall report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the presidents council, state universities of Michigan on whether or not it has chosen to participate in the yellow ribbon GI education enhancement program. If at any time during the fiscal year a university participating in the yellow ribbon program chooses to leave the yellow ribbon program, it shall notify the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the presidents council, state universities of Michigan.

(b) Establish an on-campus veterans' liaison to provide information and assistance to all student veterans.

(c) Provide flexible enrollment application deadlines for all veterans.

(2) As used in this section, "veteran" means an honorably discharged veteran entitled to educational assistance under the provisions of section 5003 of the post-911 veterans educational assistance act of 2008, title V of Public Law 110-252, 38 USC 3301 to 3324.

Sec. 481. It is the intent of the legislature to consider an appropriation of funds for grants to universities for the purpose of hiring a consultant when a university is exploring the possibility of creating an urban center or core in its community.

## **STATE AND REGIONAL PROGRAMS**

Sec. 490. The funds appropriated in part 1 for higher education database modernization and conversion shall be expended to maintain, coordinate, and improve the higher education institutional data inventory (HEIDI) established under section 1299 of the management and budget act, 1984 PA 431, MCL 18.1299. The advisory committee established under that section shall meet regularly to review data definitions and requirements in order to advise the state budget director regarding changes to those definitions and requirements that would result in more useful and reliable data being provided to state policymakers and university officials.

## **MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAMS**

Sec. 501. (1) Included in the appropriation for each public university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks future faculty program that is intended to increase the pool of academically or economically disadvantaged candidates pursuing faculty teaching careers in postsecondary education. Preference may not be given to applicants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage applications from applicants who would otherwise not adequately be represented in the graduate student and faculty populations. Each public university shall apply the percentage change applicable to every public university in the calculation of appropriations in part 1 to the amount of funds allocated to the future faculty program.

(2) The program shall be administered by each public university in a manner prescribed by the Michigan department of energy, labor, and economic growth. The Michigan department of energy, labor, and economic growth shall use a good faith effort standard to evaluate whether a fellowship is in default.

Sec. 502. (1) Included in the appropriation for each public university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college day program that is intended to introduce academically or economically disadvantaged schoolchildren to the potential of a college education. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Public universities should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) Individual program plans of each public university shall include a budget of equal contributions from this program, the participating public university, the participating school district, and the participating independent degree-granting college. College day funds shall not be expended to cover indirect costs. Not more than 20% of the university match shall be attributable to indirect costs. Each public university shall apply the percentage change applicable to every public university in the calculation of appropriations in part 1 to the amount of funds allocated to the college day program.

(3) The program described in this section shall be administered by each public university in a manner prescribed by the Michigan department of energy, labor, and economic growth.

Sec. 503. (1) Included in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student support services program for developing academically or economically disadvantaged student retention programs for 4-year public and independent educational institutions in this state. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) An award made under this program to any 1 institution shall not be greater than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or university basis.

(3) The program described in this section shall be administered by the Michigan department of energy, labor, and economic growth.

Sec. 504. (1) Included in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university partnership program between 4-year public and independent colleges and universities and public community colleges, which is intended to increase the number of academically or economically disadvantaged students who transfer from community colleges into baccalaureate programs. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the transfer student population.

(2) The grants shall be made under the program described in this section to Michigan public and independent colleges and universities. An award to any 1 institution shall not be greater than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or university basis.

(3) The program described in this section shall be administered by the Michigan department of energy, labor, and economic growth.

Sec. 505. (1) Included in the appropriation for each public university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks visiting professors program which is intended to increase the number of instructors in the classroom to provide role models for academically or economically disadvantaged students. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Public universities should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) The program described in this section shall be administered by the Michigan department of energy, labor, and economic growth.

Sec. 506. (1) Included in the appropriation in part 1 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the Morris Hood, Jr. educator development program which is intended to increase the number of academically or economically disadvantaged students who enroll in and complete K-12 teacher education programs at the baccalaureate level. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the teacher education student population.

(2) The program described in this section shall be administered by each state-approved teacher education institution in a manner prescribed by the Michigan department of energy, labor, and economic growth.

(3) Approved teacher education institutions may and are encouraged to use student support services funding in coordination with the Morris Hood, Jr. funding to achieve the goals of the program described in this section.

Sec. 507. Each institution receiving funds under section 503, 504, or 506 shall notify the Michigan department of energy, labor, and economic growth by April 15, 2011 as to whether it will expend by the end of its fiscal year the funds received under section 503, 504, or 506. Notwithstanding the award limitations in sections 503 and 504, the amount of funding reported as not being expended will be reallocated to the institutions that intend to expend all funding received under section 503, 504, or 506.

## **STUDENT PERFORMANCE REPORTING**

Sec. 601. (1) From the amount appropriated in part 1, the public universities shall systematically inform Michigan high schools regarding the academic status of students from each high school in a manner prescribed by the presidents council, state universities of Michigan in cooperation with the Michigan association of secondary school principals.

(2) The Michigan high schools shall systematically inform the public universities about the use of information received under this section in a manner prescribed by the Michigan association of secondary school principals in cooperation with the presidents council, state universities of Michigan.

Sec. 602. From the amount appropriated in part 1, the public universities shall inform Michigan community colleges regarding the academic status of community college transfer students in a manner prescribed by the presidents council, state universities of Michigan in cooperation with the Michigan community college association.

Sec. 603. Public universities shall work with the state community colleges to encourage the transfer of students from the community colleges to the state universities and to facilitate the transfer of credits from the community colleges to the public universities.

## **GENERAL REPORTS AND AUDITS**

Sec. 701. (1) The auditor general shall review higher education institutional data inventory (HEIDI) enrollment data submitted by all public universities and may perform audits of selected public universities if determined necessary. The review and audits shall be based upon the definitions, requirements, and uniform reporting categories established by the state budget director and the house and senate fiscal agencies in consultation with the HEIDI advisory committee. The auditor general shall submit a report of findings to the house and senate appropriations committees and the state budget director no later than July 1, 2011.

(2) Student credit hours reports shall not include the following:

(a) Student credit hours generated through instructional activity by faculty or staff in classrooms located outside Michigan, with the exception of instructional activity related to study-abroad programs or field programs.

(b) Student credit hours generated through distance learning instruction for students not eligible for the public university's in-state main campus resident tuition rate. However, in instances where a student is enrolled in distance education and non-distance education credit hours in a given term and the student's non-distance education enrollment is at a campus or site located within Michigan, student credit hours per the student's eligibility for in-state or out-of-state tuition rates may be reported.

(c) Student credit hours generated through credit by examination.

(d) Student credit hours generated through inmate prison programs regardless of teaching location.

(e) Student credit hours generated in new degree programs after January 1, 1975, that have not been specifically authorized for funding by the legislature, except spin-off programs converted from existing core programs that do all of the following:

(i) Represent new options, fields, or concentrations within existing programs.

(ii) Are consistent with the current institutional role and mission.

(iii) Are accommodated within the continuing funding base of the public university.

(iv) Do not require a new degree level beyond that which the public university is currently authorized to grant within that discipline or field.

(v) Do not require funding from the state other than that provided by the student credit hours generated within the program, either before program initiation or within the first 3 years of program operation.

(3) The auditor general shall periodically audit higher education institutional data inventory (HEIDI) data as submitted by the public universities for compliance with the definitions established by the state budget director in consultation with the HEIDI advisory committee for the HEIDI database.

(4) "Distance learning instruction" as used in subsection (2) means instruction that occurs solely in other than a traditional classroom setting where the student and instructor are in the same physical location and for which a student receives course credits and is charged tuition and fees. Examples of distance learning instruction are instruction delivered solely through the Internet, cable television, teleconference, or mail.

Sec. 701a. (1) Pursuant to section 701(2)(e), public universities may establish the following degree programs:

(a) Bachelor's degree programs:

Central Michigan University, Integrated Leadership Studies Major, B.S.  
Ferris State University, Allied Health, B.S.  
Ferris State University, Architecture and Sustainability, B.S.  
Ferris State University, Computer Information Technology Systems, B.S.  
Ferris State University, Energy Systems Engineering, B.S.  
Ferris State University, Molecular Diagnostic Program, B.S.  
Grand Valley State University, Diagnostic Medical Sonography, B.S.  
Grand Valley State University, Radiation Therapy, B.S.  
Grand Valley State University, Radiologic and Imaging Services, B.S.  
Grand Valley State University, Supply Chain Management, B.B.A.  
Lake Superior State University, Literature-Creative Writing, B.A.  
Michigan State University, Global Studies in the Arts and Humanities, B.A.  
Oakland University, Actuarial Science, B.S.  
Wayne State University, Construction Management, B.S.  
Wayne State University, Electric Transportation Technology, B.S.  
Western Michigan University, Stage Management, B.F.A.  
Western Michigan University, Theater Design and Technical Production, B.F.A.  
Western Michigan University, Theater Performance, B.F.A.

(b) Master's degree programs:

Central Michigan University, Integrated Science, M.A.  
Eastern Michigan University, Curriculum and Assessment, M.A.  
Michigan Technological University, Applied Cognitive Science and Human Factors, M.S.  
Northern Michigan University, Business Administration, M.B.A.  
Saginaw Valley State University, Master of Arts in Teaching: Urban Teaching, M.A.T.  
University of Michigan-Ann Arbor, Postsecondary Science Education, M.S.  
University of Michigan-Dearborn, Energy Systems Engineering, M.S.E.  
University of Michigan-Dearborn, Program and Project Management, M.S.E.  
Wayne State University, Joint M.D./M.P.H., M.D./M.P.H.

(c) Doctoral degree programs:

Ferris State University, Community College Leadership, Ed.D.  
Michigan Technological University, Applied Cognitive Science and Human Factors, Ph.D.  
University of Michigan-Flint, Curriculum/Educational Leadership, Ed.S.  
Wayne State University, Kinesiology, Ph.D.

(2) The listing of degree programs in subsection (1) does not constitute legislative intent to provide additional dollars for those programs.

(3) When submitting the listing of new degree programs for purposes of section 701(2)(e), the presidents council of state universities shall also provide a listing of degree programs that institutions of higher education will no longer offer in subsequent academic years.

Sec. 702. The principal executive officer of each public university receiving an appropriation under part 1 shall expend a portion of the funds appropriated to that public university to make a report to the auditor general, the senate and house fiscal agencies, and the state budget director within 60 days after the auditor general issues his or her report on the operation of the institution. The public university's report shall specify all of the following:

(a) The recommendations of the auditor general implemented by the public university, including projected dates and resources required, if any, to achieve compliance.

(b) The recommendations of the auditor general not implemented by the public university or implemented by the public university as modified.

(c) The rationale for not implementing a recommendation of the auditor general or of implementing a recommendation as modified.

Sec. 708. The auditor general may conduct performance audits of public universities receiving funds in part 1 during the fiscal year ending September 30, 2011 as the auditor general considers necessary.

Sec. 709. A public university receiving funds under part 1 and also subject to the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381, shall make a copy of all material prepared pursuant to the public information reporting requirements under the crime awareness and campus security act of 1990, title II of the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381, available in electronic Internet format on their websites.

Sec. 714. A public university receiving funds under this act and also subject to the family educational rights and privacy act (FERPA), 20 USC 1232g, 34 CFR part 99, shall, when requested, provide information from the records of a student to any person or persons to whom the student has authorized disclosure on a written consent form pursuant to 34 CFR 99.30.

This act is ordered to take immediate effect.

*Carol Morey Viventi*

Secretary of the Senate

*Richard J. Brown*

Clerk of the House of Representatives

Approved .....

.....  
Governor

# **HUMAN SERVICES**



Act No. 190  
Public Acts of 2010  
Approved by the Governor\*  
September 30, 2010  
Filed with the Secretary of State  
September 30, 2010  
EFFECTIVE DATE: September 30, 2010

\*Item Vetoes

<b>Sec. 106. CHILDREN'S SERVICES</b>		
Child care fund in-home care incentive program .....	\$	5,000,000 (Page 3)
<b>Sec. 112. PUBLIC ASSISTANCE</b>		
Chaldean community foundation.....	\$	100 (Page 6)
<b>Sec. 288.</b>		
Entire Section. (Page 12)		
<b>Sec. 423. (1)</b>		
Entire Subsection. (Page 14)		
<b>Sec. 423. (3)</b>		
Entire Subsection. (Page 15)		
<b>Sec. 573.</b>		
Entire Section. (Page 21)		
<b>Sec. 581.</b>		
Entire Section. (Page 21)		
<b>Sec. 587.</b>		
Entire Section. (Page 22)		
<b>Sec. 676.</b>		
Entire Section. (Pages 27-28)		
<b>Sec. 683.</b>		
Entire Section. (Page 28)		
<b>Sec. 696</b>		
Entire Section. (Page 29)		
<b>Sec. 1104</b>		
Entire Section. (Page 34)		



**STATE OF MICHIGAN  
95TH LEGISLATURE  
REGULAR SESSION OF 2010**

Introduced by Rep. Spade

**ENROLLED HOUSE BILL No. 5882**

AN ACT to make appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2011; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of human services for the fiscal year ending September 30, 2011, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF HUMAN SERVICES  
APPROPRIATION SUMMARY**

Full-time equated classified positions .....	11,863.5	
Full-time equated unclassified positions .....	6.0	
Total full-time equated positions.....	11,869.5	
GROSS APPROPRIATION .....		\$ 6,962,426,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		1,230,300
ADJUSTED GROSS APPROPRIATION .....		\$ 6,961,195,800
Federal revenues:		
Federal - FMAP stimulus .....		6,499,700
Federal - food assistance administration (ARRA) .....		9,495,200
Federal - supplemental nutrition assistance revenues (ARRA).....		566,785,600
Federal - emergency TANF contingency revenues (ARRA).....		189,737,300
Federal - transitional supportive housing revenues (ARRA).....		2,000,000
Federal - faith-based grant revenues (ARRA).....		250,000
Total other federal revenues.....		5,147,520,700

Special revenue funds:	
Total private revenues .....	\$ 14,483,500
Total local revenues .....	33,925,700
Total other state restricted revenues .....	60,433,500
State general fund/general purpose .....	\$ 930,064,600

**Sec. 102. EXECUTIVE OPERATIONS**

Total full-time equated positions.....	670.7
Full-time equated unclassified positions .....	6.0
Full-time equated classified positions.....	664.7
Unclassified salaries—6.0 FTE positions .....	\$ 647,900
Salaries and wages—276.7 FTE positions .....	17,399,100
Contractual services, supplies, and materials .....	10,190,300
Demonstration projects—9.0 FTE positions .....	14,537,000
Inspector general salaries and wages—136.0 FTE positions .....	7,808,000
Electronic benefit transfer EBT .....	13,009,000
Michigan community service commission—15.0 FTE positions.....	9,129,900
AFC, children's welfare and day care licensure—228.0 FTE positions.....	24,566,000
State office of administrative hearings and rules .....	5,697,300
GROSS APPROPRIATION .....	\$ 102,984,500

Appropriated from:

Federal revenues:

Federal - food assistance administration (ARRA) .....	7,985,700
Total other federal revenues.....	62,033,400

Special revenue funds:

Total private revenues .....	8,205,300
Total local revenues .....	175,000
Total other state restricted revenues .....	25,000
State general fund/general purpose .....	\$ 24,560,100

**Sec. 103. CHILD SUPPORT ENFORCEMENT**

Full-time equated classified positions.....	198.7
Child support enforcement operations—192.7 FTE positions.....	\$ 23,204,700
Legal support contracts.....	138,753,600
Child support incentive payments.....	32,409,600
State disbursement unit—6.0 FTE positions .....	14,599,900
GROSS APPROPRIATION .....	\$ 208,967,800

Appropriated from:

Federal revenues:

Total federal revenues .....	193,477,100
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Special revenue funds:

Total local revenues.....	340,000
Total other state restricted revenues .....	770,000
State general fund/general purpose .....	\$ 14,380,700

**Sec. 104. COMMUNITY ACTION AND ECONOMIC OPPORTUNITY**

Full-time equated classified positions.....	19.0
Bureau of community action and economic opportunity operations—19.0 FTE positions .....	\$ 2,197,400
Community services block grant .....	25,650,000
Weatherization assistance .....	27,400,000
GROSS APPROPRIATION .....	\$ 55,247,400

Appropriated from:

Federal revenues:

Total federal revenues .....	55,247,400
State general fund/general purpose .....	\$ 0

**Sec. 105. ADULT AND FAMILY SERVICES**

Full-time equated classified positions.....	44.7
Executive direction and support—5.0 FTE positions.....	\$ 542,200

	For Fiscal Year Ending Sept. 30, 2011
Guardian contract .....	\$ 600,000
Adult services policy and administration—6.0 FTE positions .....	651,300
Office of program policy—33.7 FTE positions .....	5,490,500
Employment and training support services.....	11,230,100
JET plus .....	8,500,000
Wage employment verification reporting.....	848,700
Urban and rural empowerment/enterprise zones.....	100
Nutrition education .....	30,000,000
Crisis prevention and elder law of Michigan food for the elderly project .....	225,000
<b>GROSS APPROPRIATION .....</b>	<b>\$ 58,087,900</b>
Appropriated from:	
Federal revenues:	
Federal - emergency TANF contingency revenues (ARRA).....	13,323,000
Total other federal revenues.....	39,678,700
Special revenue funds:	
Total private revenues.....	25,000
State general fund/general purpose .....	\$ 5,061,200

**Sec. 106. CHILDREN'S SERVICES**

Full-time equated classified positions.....	131.8	
Salaries and wages—44.2 FTE positions .....	\$ 2,929,600	
Contractual services, supplies, and materials .....	875,900	
Interstate compact .....	231,600	
Children's benefit fund donations .....	21,000	
Families first .....	18,450,700	
Strong families/safe children—3.0 FTE positions .....	16,580,600	
Child protection and permanency—37.5 FTE positions.....	19,030,900	
Zero to three .....	3,843,800	
Family reunification program.....	3,977,100	
Family preservation and prevention services administration—14.5 FTE positions.....	1,301,900	
Children's trust fund administration—12.0 FTE positions .....	1,039,400	
Children's trust fund grants .....	3,825,100	
ECIC, early childhood investment corporation .....	14,623,000	
Attorney general contract.....	3,559,000	
Prosecuting attorney contracts.....	2,561,700	
Child protection—5.0 FTE positions.....	832,600	
Domestic violence prevention and treatment—14.6 FTE positions.....	14,857,200	
Rape prevention and services—0.5 FTE position .....	3,300,000	
Transitional supportive housing (ARRA).....	2,000,000	
Child advocacy centers—0.5 FTE position .....	1,000,000	
Child care fund in-home care incentive program.....	5,000,000	
<b>GROSS APPROPRIATION .....</b>	<b>\$ 119,841,100</b>	
Appropriated from:		
Interdepartmental grant revenues:		
Federal revenues:		
Federal - transitional supportive housing revenues (ARRA).....	2,000,000	
Total other federal revenues.....	105,812,200	
Special revenue funds:		
Private - children's benefit fund donations .....	21,000	
Compulsive gaming prevention fund .....	1,040,000	
Sexual assault victims' prevention and treatment fund .....	1,000,000	
Child advocacy centers fund.....	1,000,000	
Children's trust fund .....	3,811,100	
State general fund/general purpose .....	\$ 5,156,800	

**Sec. 107. CHILDREN'S RIGHTS SETTLEMENT**

Full-time equated classified positions.....	3,494.0	
Children's services administration—49.0 FTE positions.....	\$ 3,730,100	
Title IV-E compliance and accountability office—5.0 FTE positions.....	419,400	

For Fiscal Year  
Ending Sept. 30,  
2011

Child welfare institute—40.0 FTE positions .....	\$	6,549,400
Child protective services workers—1,481.0 FTE positions .....		69,284,200
Direct care workers—958.0 FTE positions.....		52,463,000
Education planners—14.0 FTE positions .....		741,600
Permanency planning conference coordinators—55.0 FTE positions .....		2,313,600
Child welfare first line supervisors—519.0 FTE positions .....		27,577,400
Administrative support workers—241.0 FTE positions.....		12,348,500
Second line supervisors and technical staff—45.0 FTE positions .....		3,184,000
Permanency planning specialists—62.0 FTE positions .....		2,418,500
POS contract monitoring unit—10.0 FTE positions.....		579,200
Contractual services, supplies, and materials .....		5,601,100
Settlement monitor.....		1,625,800
Foster care payments .....		184,520,800
Foster care - children with serious emotional disturbance waiver .....		1,769,000
Guardianship assistance program .....		3,170,000
Child care fund .....		217,766,400
Child care fund administration—5.8 FTE positions.....		798,200
Adoption subsidies.....		230,785,200
Adoption support services—7.2 FTE positions .....		33,555,300
Youth in transition—2.0 FTE positions.....		14,192,800
<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>875,393,500</b>
Appropriated from:		
Federal revenues:		
Federal - FMAP stimulus .....		6,261,400
Total other federal revenues.....		480,838,700
Special revenue funds:		
Private - collections .....		2,300,000
Local funds - county chargeback .....		19,247,100
State general fund/general purpose .....	\$	366,746,300

**Sec. 108. JUVENILE JUSTICE SERVICES**

Full-time equated classified positions .....	218.7	
W.J. Maxey training school—83.0 FTE positions .....	\$	12,217,000
Bay pines center—49.0 FTE positions .....		5,589,800
Shawono center—48.0 FTE positions .....		5,403,500
County juvenile officers.....		3,904,300
Community support services—2.0 FTE positions.....		1,399,100
Juvenile justice administration and maintenance—31.7 FTE positions .....		4,390,200
W.J. Maxey memorial fund.....		45,000
Juvenile accountability incentive block grant—1.0 FTE position .....		1,304,000
Committee on juvenile justice administration—4.0 FTE positions.....		538,700
Committee on juvenile justice grants.....		5,000,000
<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>39,791,600</b>
Appropriated from:		
Federal revenues:		
Total federal revenues .....		9,154,300
Special revenue funds:		
Total private revenues .....		45,000
Local funds - state share education funds.....		1,526,200
Local funds - county chargeback .....		10,096,000
State general fund/general purpose .....	\$	18,970,100

**Sec. 109. LOCAL OFFICE STAFF AND OPERATIONS**

Full-time equated classified positions .....	6,317.5	
Field staff, salaries and wages—6,023.5 FTE positions .....	\$	320,880,500
Limited-term field staff, salaries and wages—100.0 FTE positions .....		2,755,100
Contractual services, supplies, and materials .....		12,818,800
Medical/psychiatric evaluations.....		6,831,900

	For Fiscal Year Ending Sept. 30, 2011
Donated funds positions—158.0 FTE positions .....	\$ 12,854,900
Training and program support—24.0 FTE positions .....	3,344,200
Wayne County gifts and bequests .....	100,000
Volunteer services and reimbursement .....	1,036,100
Volunteer services and reimbursement (ARRA)—2.0 FTE positions.....	250,000
SSI advocates—10.0 FTE positions .....	1,238,500
GROSS APPROPRIATION .....	\$ 362,110,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of corrections .....	100,000
ADJUSTED GROSS APPROPRIATION .....	\$ 362,010,000
Federal revenues:	
Federal - faith-based grant revenues (ARRA).....	250,000
Federal - food assistance administration (ARRA) .....	905,700
Total other federal revenues.....	221,530,000
Special revenue funds:	
Local funds.....	2,541,400
Private funds - donated funds .....	859,700
Private funds - Wayne County gifts.....	100,000
Private funds - hospital contributions.....	2,927,500
Supplemental security income recoveries .....	725,000
State general fund/general purpose .....	\$ 132,170,700
 <b>Sec. 110. DISABILITY DETERMINATION SERVICES</b>	
Full-time equated classified positions.....	747.4
Disability determination operations—721.9 FTE positions.....	\$ 107,512,800
Medical consultation program—21.4 FTE positions .....	3,038,900
Retirement disability determination—4.1 FTE positions.....	836,800
GROSS APPROPRIATION .....	\$ 111,388,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG from DTMB - office of retirement systems .....	1,130,300
ADJUSTED GROSS APPROPRIATION .....	\$ 110,258,200
Federal revenues:	
Total federal revenues .....	107,378,600
State general fund/general purpose .....	\$ 2,879,600
 <b>Sec. 111. CENTRAL SUPPORT ACCOUNTS</b>	
Rent.....	\$ 46,134,200
Occupancy charge .....	8,260,500
Travel .....	7,062,100
Equipment.....	227,300
Worker's compensation .....	3,525,900
Advisory commissions.....	17,900
Payroll taxes and fringe benefits.....	331,977,500
GROSS APPROPRIATION .....	\$ 397,205,400
Appropriated from:	
Federal revenues:	
Federal - FMAP stimulus .....	238,300
Federal - emergency TANF contingency revenues (ARRA).....	4,068,400
Federal - food assistance administration (ARRA) .....	603,800
Total other federal revenues.....	241,901,400
State general fund/general purpose .....	\$ 150,393,500
 <b>Sec. 112. PUBLIC ASSISTANCE</b>	
Full-time equated classified positions.....	27.0
Family independence program.....	\$ 428,835,100
State disability assistance payments .....	34,765,000

	For Fiscal Year Ending Sept. 30, 2011
Food assistance program benefits .....	\$ 3,020,337,600
Food assistance program benefits (ARRA).....	566,785,600
State supplementation .....	58,069,300
State supplementation administration.....	2,601,000
Low-income home energy assistance program .....	116,451,600
Food bank funding.....	1,345,000
Homeless programs.....	11,646,700
Multicultural integration funding .....	1,815,500
Chaldean community foundation.....	100
Indigent burial.....	4,209,200
Emergency services local office allocations .....	21,615,500
Licensed and registered child development and care.....	100,716,200
Enrolled child development and care.....	81,397,100
Child care services grants and contracts .....	3,025,000
Day care technology, and oversight—20.0 FTE positions .....	2,075,400
Refugee assistance program—7.0 FTE positions.....	24,241,400
<b>GROSS APPROPRIATION .....</b>	<b>\$ 4,479,932,300</b>
Appropriated from:	
Federal revenues:	
Federal - emergency TANF contingency revenues (ARRA).....	172,345,900
Federal supplemental nutrition assistance revenues (ARRA) .....	566,785,600
Total other federal revenues.....	3,521,901,600
Special revenue funds:	
Child support collections .....	27,445,800
Supplemental security income recoveries .....	16,606,600
Public assistance recoupment revenue .....	7,010,000
State general fund/general purpose .....	\$ 167,836,800
 <b>Sec. 113. INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ 105,898,100
Child support automation.....	45,578,000
<b>GROSS APPROPRIATION .....</b>	<b>\$ 151,476,100</b>
Appropriated from:	
Federal revenues:	
Total federal revenues .....	108,567,300
Special revenue funds:	
Total other state restricted revenues .....	1,000,000
State general fund/general purpose .....	\$ 41,908,800

## PART 2

### PROVISIONS CONCERNING APPROPRIATIONS

#### GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2010-2011 is \$990,498,100.00 and state spending from state resources to be paid to local units of government for fiscal year 2010-2011 is \$102,301,900.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

#### DEPARTMENT OF HUMAN SERVICES

Child care fund.....	\$ 93,596,500
County juvenile officers.....	3,657,600
State disability assistance payments .....	2,286,600
Legal support contracts.....	2,025,000
Child support enforcement operations.....	583,200
Family independence program.....	153,000
<b>TOTAL.....</b>	<b>\$ 102,301,900</b>

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

Sec. 203. As used in this act:

- (a) "AFC" means adult foster care.
- (b) "ARRA" means the American recovery and reinvestment act of 2009, Public Law 111-5.
- (c) "CFSR" means child and family services review.
- (d) "Children's rights settlement agreement" means the settlement agreement entered in the case of Dwayne B. vs. Granholm, docket No. 2:06-cv-13548 in the United States district court for the eastern district of Michigan.
- (e) "Current fiscal year" means the fiscal year ending September 30, 2011.
- (f) "DCH" means the department of community health.
- (g) "Department" means the department of human services.
- (h) "Director" means the director of the department of human services.
- (i) "DTMB" means the department of technology, management, and budget.
- (j) "ECIC" means early childhood investment corporation.
- (k) "FMAP" means federal medical assistance percentage.
- (l) "FTE" means full-time equated.
- (m) "IDG" means interdepartmental grant.
- (n) "JET" means jobs, education, and training program.
- (o) "Previous fiscal year" means the fiscal year ending September 30, 2010.
- (p) "RSDI" means retirement survivors disability insurance.
- (q) "SSI" means supplemental security income.
- (r) "Temporary assistance for needy families" or "TANF" or "title IV-A" means part A of title IV of the social security act, 42 USC 601 to 604, 605 to 608, and 609 to 619.
- (s) "Title IV-D" means part D of title IV of the social security act, 42 USC 651 to 655 and 656 to 669b.
- (t) "Title IV-E" means part E of title IV of the social security act, 42 USC 670 to 673, 673b to 679, and 679b.
- (u) "VA" means veterans affairs.

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

Sec. 207. (1) Sanctions, suspensions, conditions for provisional license status, and other penalties shall not be more stringent for private service providers than for public entities performing equivalent or similar services.

(2) Neither the department nor private service providers or licensees shall be granted preferential treatment or considered automatically to be in compliance with administrative rules based on whether they have collective bargaining agreements with direct care workers. Private service providers or licensees without collective bargaining agreements shall not be subjected to additional requirements or conditions of licensure based on their lack of collective bargaining agreements.

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

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

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

Sec. 211. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

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

(2) The department's ability to satisfy appropriation fund sources in part 1 shall not be limited to collections and accruals pertaining to services provided in the current fiscal year, but shall also include reimbursements, refunds, adjustments, and settlements from prior years. The department shall submit a written report by February 1 of the current fiscal year to the chairpersons of the senate and house appropriations subcommittees on the department budget that identifies all reimbursements, refunds, adjustments, and settlements from prior years to be used to satisfy appropriation fund sources.

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) Corrective action through policy, rules, and programming being taken to reduce the food stamp error rate.
- (e) Any other information regarding the food stamp error rate, including information pertaining to technology and computer applications used for the food assistance program.

Sec. 214. (1) By February 1 of the current fiscal year, the department shall submit a report to the chairpersons of the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on the details of allocations within program budgeting line items and within the salaries and wages line items in all appropriation units. The report shall include a listing, by account, dollar amount, and fund source, of salaries and wages; longevity and insurance; retirement; contractual services, supplies, and materials; equipment; travel; and grants within each program line item appropriated for the current fiscal year. With regard to federal appropriations, for each program line item funded by no more than 3 federal funding sources, the department shall provide estimates of the allocation of the appropriation for each specific federal funding source.

(2) On a bimonthly basis, the department shall report on the number of FTEs in pay status by type of staff. The department shall identify which FTEs are designated as limited-term staff.

Sec. 215. If a legislative objective of this act or the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, cannot be implemented without loss of federal financial participation because implementation would conflict with or violate federal regulations, the department shall notify the state budget director, the house and senate appropriations committees, and the house and senate fiscal agencies and policy offices of that fact.

Sec. 216. The department, in collaboration with the state budget office, shall submit to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices on or before March 1 of the current fiscal year a report on appropriated and supportable FTE positions within the executive budget proposal for the fiscal year beginning October 1, 2011. The report shall contain all of the following information for each individual line item contained in the executive budget proposal for the department budget:

- (a) The number of FTEs to be funded from the line item.
- (b) The amount that is proposed to be allocated to salary and wage costs from the gross appropriation for the line item.
- (c) The amount that is proposed to be allocated to salary and wage costs from the gross appropriation for the line item on which was based the increase in the executive budget proposal from the amount appropriated for the line item in the department budget for the current fiscal year, if different from the amount in subdivision (b).

(d) The portion of the amount described in subdivision (b) that is proposed to be taken from each funding source identified in the budget.

(e) The gross salary and wage expenditures for the line item during the previous fiscal year and the estimated salary and wage expenditures for the line item during the current fiscal year.

(f) The estimated number of FTE positions supportable by the amount described in subdivision (b).

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

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

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

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

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

(e) The travel is necessary to secure specialized training for department workers or the staff of private providers through the child welfare institute that is not available within this state.

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Sec. 218. (1) By February 15 of the current fiscal year, the department shall prepare an annual report on the TANF federal block grant. The report shall include projected expenditures for the current fiscal year, an accounting of any previous year funds carried forward, and a summary of all interdepartmental or interagency agreements relating to the use of TANF funds. The report shall be forwarded to the state budget director and the house and senate appropriations subcommittees on the department budget and the house and senate fiscal agencies and policy offices.

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

(3) By February 15 of the current fiscal year, the department shall prepare an annual report of its efforts to identify additional TANF maintenance of effort sources from all of the following, but not limited to:

(a) Other departments.

(b) Local units of government.

(c) Private sources.

Sec. 220. The department shall ensure that faith-based organizations are able to apply and compete for services, programs, or contracts that they are qualified and suitable to fulfill. The department shall not disqualify faith-based organizations solely on the basis of the religious nature of their organization or their guiding principles or statements of faith.

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

Sec. 222. (1) The department shall report no later than April 1 of the current fiscal year on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used by the department to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(3) As used in this section:

(a) "Rule" means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

(b) "Small business" means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

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

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

Sec. 225. Lease number 2773 located at 14000 Schoolcraft Avenue, Detroit, Michigan, shall be canceled effective November 30, 2010 at 11:59 p.m.

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

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

Sec. 273. (1) The department shall quarterly report to the senate and house standing committees with primary jurisdiction over matters relating to human services and the senate and house appropriations subcommittees on the department budget any policy changes made to implement the provisions of enacted legislation, including the annual appropriation for the department budget.

(2) The department shall provide to the senate and house appropriations subcommittees on the department budget and senate and house standing committees with primary jurisdiction over matters relating to human services, the senate and house fiscal agencies, and the senate and house policy offices by July 1 of the current fiscal year a cumulative list of all policy changes in child welfare services, child support, work first, work requirements, adult and child safety, local staff program responsibilities, and day care and the most recent regulatory plan submitted to the state office of administrative hearings and rules.

(3) The department shall only use money appropriated in section 102 to prepare regulatory reform plans. Money appropriated in part 1 shall not be used to prepare regulatory reform plans or promulgate rules that exceed statutory authority granted to the department. If the department fails to comply with the provisions of section 39(1) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.239, money shall not be expended for the further preparation of that regulatory plan or the promulgation of rules for that regulatory plan.

(4) Money appropriated in part 1 shall not be used to prepare a regulatory plan or promulgate rules that fail to reduce the disproportionate economic impact on small businesses as required in section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(5) Money appropriated in part 1 shall not be used to prepare a regulatory plan or promulgate rules that grant preferences to private providers of services based on whether that private provider has a collective bargaining agreement with its workers.

Sec. 274. The department, in collaboration with the state budget office, shall submit to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices on the day the governor submits to the legislature the budget for the ensuing fiscal year a report on spending and revenue projections for each of the capped federal funds listed below. The report shall contain actual spending and revenue in the previous fiscal year; spending and revenue projections for the current fiscal year as enacted, and spending and revenue projections within the executive budget proposal for the fiscal year beginning October 1, 2011 for each individual line item for the department budget. The report shall also include federal funds transferred to other departments. The capped federal funds shall include, but not be limited to, all of the following:

- (a) TANF.
- (b) Child care and development funds.
- (c) Title XX social services block grant.
- (d) Title IV-B part I child welfare services block grant.
- (e) Title IV-B part II promoting safe and stable families funds.

Sec. 278. (1) The department shall contract with 1 or more private consulting firms for revenue maximization services for all caseload services currently provided by the department.

(2) Contractors shall be reimbursed for revenue maximization services by allowing the contractors to retain a negotiated percentage of savings identified. The percentage of savings retained by a contractor shall not exceed 25%.

(3) The department shall provide a report to the senate and house appropriations subcommittees on the department budget, senate and house standing committees on human services matters, senate and house fiscal agencies and policy offices, and state budget director by April 1 of the current fiscal year on the waste, fraud, error, and abuse located through contracts authorized under subsection (1).

Sec. 279. (1) All contracts relating to human services shall be performance-based contracts that employ a client-centered results-oriented process that is based on measurable performance indicators and desired outcomes and includes the annual assessment of the quality of services provided.

(2) During the annual budget presentation, the department shall provide the senate and house appropriations subcommittees on the department budget and the senate and house fiscal agencies and policy offices a report detailing measurable performance indicators, desired outcomes, and an assessment of the quality of services provided by the department during the previous fiscal year.

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

- (a) The amounts expended during the previous fiscal year and the first quarter of the current fiscal year by information technology project.
- (b) The amounts of appropriations carried forward as work projects from previous fiscal years for information technology projects.
- (c) A listing of the projects and activities undertaken during the previous fiscal year and during the first quarter of the current fiscal year.
- (d) A narrative describing anticipated information technology needs for the department in future years.

Sec. 284. (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.

Sec. 287. (1) The department shall work collaboratively with the child death review board and court system to improve communication and coordination between entities on the review and examination of child death in Michigan.

(2) The department shall notify the children's ombudsman within 1 business day after a child dies if any of the following apply:

- (a) The child died during an active child protective services investigation or an open child protective services case.
- (b) The department received a prior child protective services complaint concerning the child's caretaker.
- (c) The child's death may have resulted from child abuse or neglect.

Sec. 288. (1) The department shall not establish time limits on payments to providers for properly documented services purchased by the department.

(2) The department shall pay providers that meet the requirements of subsection (1) with state general fund/general purpose funds if federal funds cannot be used because of time restrictions on federal claims.

Sec. 289. The department shall pay a private child placing agency or child caring institution all verified and agreed to overdue payments for foster care and juvenile justice services provided to eligible youth under contract with the department.

Sec. 291. By November 1, 2010, the department shall submit a report to the house and senate appropriations subcommittees on the human services budget and the house and senate fiscal agencies on the Michigan home based child care council (MHBCCC). The report shall include all money that the department has processed, distributed, and transferred to the MHBCCC that is related to union dues for any contract to which this state is not a party, all money sent to MHBCCC or any successor organization, and any payment that has been made to the grantee designated by the agency designation administrative 10-9909 as reported by the Michigan state administrative board. The report shall cover all money provided to the MHBCCC through September 30, 2010. Beginning on January 1, 2011, the department shall, within 30 days after the end of each quarter, provide the same information required for the November 1, 2010 report for the quarter to the same recipients.

Sec. 292. By November 1, 2010, the department shall submit a report to the house and senate appropriations subcommittees on the human services budget and the house and senate fiscal agencies regarding the child development and care program. The report shall include all of the following:

- (a) Number of eligible child care providers by type receiving payment for child care services from the department on October 1, 2008.
- (b) Number of eligible child care providers by type receiving payment for child care services from the department on October 1, 2010.

Sec. 293. The department may use money from the money appropriated in part 1 to strengthen marriage and family relations through the practice of marriage and family therapy for individuals, families, couples, or groups. The goal of the therapy shall be strengthening families by helping them avoid, eliminate, relieve, manage, or resolve marital or family conflict or discord.

Sec. 295. (1) From the money appropriated in part 1 for information technology services and projects, the department shall allocate \$300,000.00 to modify the "Bridges" eligibility system to permit greater cooperation between the department of state police and department's office of inspector general in identifying individuals with criminal justice disqualifications for program eligibility inappropriately accessing benefits.

(2) The department shall ensure that the integration of the "Bridges" eligibility system into the law enforcement information network system is completed by July 1, 2011.

(3) By September 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget and the senate and house fiscal agencies and policy offices on the number of individuals with criminal justice disqualifications inappropriately accessing benefits that were identified through the use of the "Bridges" and the law enforcement information network system.

Sec. 296. Not later than October 15, 2011, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 297. The department shall, with assistance from the department of community health, provide a report to the senate and house appropriations subcommittees on the department budget, the senate and house committees with

primary jurisdiction over matters of health policy, the senate and house fiscal agencies, and the senate and house policy offices describing money collected through Medicaid estate recovery efforts and proposed changes to section 112g of the social welfare act, 1939 PA 280, MCL 400.112g, that could increase collections through Medicaid estate recovery.

## **EXECUTIVE OPERATIONS**

Sec. 305. From the money appropriated in part 1 for demonstration projects, the department shall allocate \$100,000.00 to support youthville Detroit.

Sec. 307. (1) Of the money appropriated in part 1 for demonstration projects, \$550,000.00 shall be distributed as provided in subsection (2). The amount distributed under this subsection shall not exceed 50% of the total operating expenses of the program described in subsection (2), with the remaining 50% paid by local United Way organizations and other nonprofit organizations and foundations.

(2) Money distributed under subsection (1) shall be distributed to Michigan 2-1-1, a nonprofit corporation organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code, 26 USC 501(c)(3), and whose mission is to coordinate and support a statewide 2-1-1 system. Michigan 2-1-1 shall use the money only to fulfill the Michigan 2-1-1 business plan adopted by Michigan 2-1-1 in January 2005.

(3) Michigan 2-1-1 shall report annually to the department and the house and senate standing committees with primary jurisdiction over matters relating to human services and telecommunications on 2-1-1 system performance, including, but not limited to, call volume by community health and human service needs and unmet needs identified through caller data and customer satisfaction metrics.

Sec. 308. From the money appropriated in part 1 for demonstration projects, \$200,000.00 shall be expended on a contract with the University of Detroit Mercy to provide legal services for disabled veterans who are seeking eligibility under federal disability programs, including federal supplemental security income. The contract shall fund a statewide effort by the university through use of its mobile office to deliver these legal services.

Sec. 310. The department shall furnish the senate and house fiscal agencies and policy offices, the state budget office, and all members of the house and senate appropriations committees with a summary of any evaluation reports and subsequent approvals or disapprovals of juvenile residential facilities operated by the department, as required by section 6 of 1973 PA 116, MCL 722.116. If no evaluations are conducted during the fiscal year, the department shall notify the fiscal agencies and all members of the appropriate subcommittees of the house and senate appropriations committees.

Sec. 311. (1) The department shall administer licensing and regulation of licensees with the following standards:

(a) The highest priority shall be given to licensing activities that present the highest risk to vulnerable children or adults receiving services of licensees.

(b) Licensees shall be required to adhere to state law and departmental policy.

(c) The department shall use performance standards and measures that are clearly explained to licensees or providers.

(d) The department shall use goals of higher quality, greater efficiency, and wider availability of services.

(e) The department shall provide clear and known opportunities for licensees and providers to raise questions or concerns about regulations and enforcement.

(f) The department shall provide effective outlets for judges and court employees to communicate and receive attention to concerns or questions about licensed or regulated providers.

(2) The department shall use standards and measures similar to those in subsection (1) for services it provides or administers that are similar to those provided by licensees.

Sec. 313. From the money appropriated in part 1 for demonstration projects, the department shall allocate \$300,000.00 to support the conductive learning center.

## **ADULT AND FAMILY SERVICES**

Sec. 415. (1) If money becomes available in part 1, the department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations. Preference shall be given to independent contractors that provide at least 10% in matching funds, through any combination of local, state, or federal

funds or in-kind or other donations. However, an independent contractor that cannot secure matching funds shall not be excluded from consideration for the fatherhood program.

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

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

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

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

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

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

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

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

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

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

Sec. 423. (1) From the money appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate \$75,000.00 to support ongoing efforts in Barry County to provide programs to women or children, or both, facing crisis situations as a result of domestic violence or abuse.

(2) From the money appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate not less than \$100,000.00 to assist this state's elderly population to participate in the food assistance program.

The money may be used as state matching funds to acquire available United States department of agriculture funding to provide outreach program activities, such as eligibility screen and information services, as part of a statewide food stamp hotline.

(3) Of the funds appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate \$25,000.00 for a food aid outreach project in Muskegon County and \$25,000.00 for a food aid outreach project in Kent County.

## **CHILDREN'S SERVICES**

Sec. 501. During the current fiscal year, 85% or more of children who have been in care for 1 year or longer while legally available for adoption or with an established goal of reunification with their families shall be permanently placed. During the annual budget presentation, the department shall report on the number of children supervised by the department and by private agencies who remain in foster care more than 12 and less than 24 months and those who remain in foster care 24 months or more.

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

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

- (a) Has not yet graduated from high school or passed a high school equivalency examination.
- (b) Is making progress toward completing high school.
- (c) For a child adopted before the age of 16, has not yet reached his or her nineteenth birthday.
- (d) For a child adopted at or after the age of 16, has not yet reached his or her twentieth birthday.

Sec. 504. The department will ensure that children aged 14 years and older in foster care and youth transitioning from foster care to adulthood have access to the range of supportive services necessary to support their preparation for and successful transition to adulthood, including, but not limited to, independent living services eligible for federal reimbursement under the Chafee program, and shall maintain sufficient resources to deliver independent living services to all children in foster care custody of the department who qualify for them.

Sec. 505. (1) The department shall continue to implement a plan to provide client-centered results-oriented foster care programs.

(2) The department shall provide a quarterly report to the senate and house appropriations subcommittees on the department budget and the senate and house fiscal agencies and policy offices outlining this state's performance in meeting the mandated measures for placement stability, timeliness of reunification, permanency of reunification, and timeliness of adoptions and other measures mandated in the children's rights settlement agreement.

(3) As part of the quarterly report described in subsection (2), the department shall include the number of private agencies allowed to conduct their own staff training, including the number of private agency training staff, as allowed under section 585.

(4) By March 1, 2011, the department and Wayne County shall provide to the senate and house appropriations committees on the department budget and the senate and house fiscal agencies and policy offices a report for youth served in the previous fiscal year and in the first quarter of the current fiscal year outlining the number of youth served within each juvenile justice system, the type of setting for each youth, performance outcomes, and financial costs or savings.

(5) By November 1, 2011, the department shall post on the department's website a list of all relevant departmental training materials available to private child placing agencies that are allowed to conduct their own training in accordance with section 585. The department shall also provide to private child placing agencies that are allowed to conduct their own training any updated training materials as they become available.

Sec. 506. (1) The department shall provide a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices by February 1 of the current fiscal year detailing changes in program policy, outcome measurement, and training by the department and courts to meet the requirements of the fostering connections to success and increasing adoptions act of 2008, Public Law 110-351, 122 Stat. 3949.

(2) By February 1 of the current fiscal year, the department shall provide the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices a report detailing recent department communication with the federal government related to the provision of foster care, juvenile justice, and adoption services. The report shall include information detailing federal recommendations made to the department and courts, any sanction or warning of possible future sanction assessed on this state by the federal government, the status of the performance improvement plan submitted to the federal government, and efforts by the department to increase federal financial support for children's services in this state.

Sec. 507. 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 may include revenues collected during the current fiscal year for services provided in prior fiscal years.

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.

(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) The department may collaborate with the state child abuse and neglect prevention board to develop recommendations on how to best incorporate child abuse prevention strategies and practices into suggested changes in state statute and department policy. The department shall provide any recommendations developed with the state child abuse and prevention board to the senate and house standing committees on human services and appropriations subcommittees on the department budget not later than March 1 of the current fiscal year.

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

(5) The department and the child abuse neglect and prevention board shall collaborate to ensure that administrative delays are avoided and the local grant recipients and direct service providers receive money in an expeditious manner. The department and board shall seek to have the children's trust fund grants distributed no later than October 31 of the current fiscal year.

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

(a) A child would be living in the same household with a parent or other adult who has been convicted of criminal sexual conduct against a child.

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

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

Sec. 510. The department shall not be required to put up for bids a contract with a service provider if the service provider is nationally accredited or is currently the only provider in the service area.

Sec. 513. (1) The department shall not expend money appropriated in part 1 to pay for the direct placement by the department 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 as determined by the department interstate compact office.

(b) An out-of-state placement exists that is nearer to the child's home than the closest appropriate in-state placement as determined by the department interstate compact office.

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

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

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

(2) The department shall not expend money for a child placed in an out-of-state facility without approval of the deputy director for children's services. The department shall notify the appropriate state agency in that state including the name of the out-of-state provider who accepted the placement.

(3) The department shall submit a report by February 1 of each year on the number of children who were placed in out-of-state facilities during the previous fiscal year, the number of Michigan children residing in such facilities at the time of the report, the total cost and average per diem cost of these out-of-state placements to this state, and a list of each such placement arranged by the Michigan county of residence for each child.

Sec. 514. The department shall make a comprehensive report concerning children's protective services (CPS) to the legislature, including the senate and house policy offices and the state budget director, by January 1 of the current fiscal year, 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, race, and ethnicity and whether the perpetrator exposed the child victim to drug activity, including the manufacture of illicit drugs, that exposed the child victim to substance abuse, a drug house, or methamphetamine.

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

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

(c) The information contained in the report required under section 8d(5) of the child protection law, 1975 PA 238, MCL 722.628d, on cases classified under category III.

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

(e) The department policy, or changes to the department policy, regarding children who have been exposed to the production or manufacture of methamphetamines.

Sec. 515. The department shall use performance-based models for all foster care services provided by the department and child placing agencies. The goal of these models shall be to ensure that foster care services are provided in a manner that increases the state's compliance with CFSR and children's rights settlement agreement goals. Not later than March 30 of the current fiscal year, the department shall provide an update to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the office of the state budget on benchmarks developed in conjunction with private providers for this performance model and county representatives from Genesee, Kent, Macomb, Oakland, and Wayne Counties, results the department or child placing agencies have achieved in improving permanency placements, and recommendations for further improvements for foster care services across the entire state.

Sec. 517. (1) From the money appropriated in part 1, the department is authorized to allocate money to multipurpose collaborative bodies. Priority for activities and services shall be given to at-risk children and families and cases classified by the department as category III or category IV under sections 8 and 8d of the child protection law, 1975 PA 238, MCL 722.628 and 722.628d.

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

(a) Foster positive parenting skills especially for parents of children under 3 years of age.

(b) Improve parent/child interaction.

(c) Promote access to needed community services.

(d) Increase local capacity to serve families at risk.

(e) Improve school readiness.

(f) Support healthy family environments that discourage alcohol, tobacco, and other drug use.

(3) The department shall demonstrate that the planned services are part of the community's integrated comprehensive family support strategy endorsed by the community collaborative and, where there is a great start collaborative, demonstrate that the planned services are part of the community's great start strategic plan.

(4) Projects funded through the appropriation provided for in subsection (2) shall 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 department.

Sec. 523. (1) The department shall report on prevention programs for which money is appropriated in part 1 to the senate and house appropriations subcommittees on the department budget during the annual budget presentation. The report shall contain all of the following for each program:

(a) The average cost per recipient served.

(b) Measurable performance indicators.

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

(d) Monitored results.

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

(2) If money becomes available 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 agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

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

Sec. 532. (1) The department, in collaboration with representatives of private child and family agencies, shall revise and improve the annual licensing review process and the annual contract compliance review process for child placing agencies and child caring institutions. The improvement goals shall be safety and care for children. Improvements to the review process shall be directed toward alleviating administrative burdens so that agency resources may be focused on children. The revision shall include identification of duplicative staff activities and information sought from child placing agencies and child caring institutions in the annual review process. The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on or before January 15 of the current fiscal year on the findings of the annual licensing review.

(2) The department shall conduct licensing reviews no more than once every 2 years for child placing agencies and child caring institutions that are nationally accredited and have no outstanding violations.

(3) The department shall develop a plan to license relatives of foster children as foster care providers to ensure consistent high standards of care for those foster children. The department shall report on the plan to the senate and house appropriations subcommittees with oversight over the department budget, the senate and house standing policy committees generally concerned with children's issues, the senate and house fiscal agencies and policy offices, and the state budget director as part of the reports required by section 582.

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

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

Sec. 536. (1) The department shall place all children within their own county or within a 75-mile radius of the home from which the child entered custody, whichever is greater, unless 1 or more of the following applies:

(a) The child's needs are so exceptional that they cannot be met by a family or facility within the county or 75-mile radius.

(b) The child needs re-placement and the child's permanency goal is to be returned to his or her parents who at the time reside out of the county or 75-mile radius.

(c) The child is to be placed with a relative out of the county or 75-mile radius.

(d) The child is to be placed in an appropriate preadoptive or adoptive home that is out of the county or 75-mile radius.

(2) If placement outside the county or 75-mile radius is made, either of the following applies:

(a) In a "designated county", as defined in section IV.A.3 of the children's rights settlement agreement, the county administrator of children's services shall be specifically required to certify the circumstances supporting the placement in writing, based on his or her own examination of the circumstances and the child's needs and best interests.

(b) In any other county, the children's services field manager shall be specifically required to certify the circumstances supporting the placement in writing, based on his or her own examination of the circumstances and the child's needs and best interests.

Sec. 537. The department, in collaboration with child placing agencies, shall develop a strategy to implement section 1150 of the social welfare act, 1939 PA 280, MCL 400.115o. The strategy shall include a requirement that a department caseworker responsible for preparing a recommendation to a court concerning a juvenile placement shall provide, as part of the recommendation, information regarding the requirements of section 1150 of the social welfare act, 1939 PA 280, MCL 400.115o.

Sec. 539. The department shall work in collaboration with representatives from 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 child placing agencies shall focus on statewide placement criteria to address the best interests of the child in need of services. The placement criteria shall include a continuum of care settings and options as appropriate for each child and his or her needs at specific times, including home placements, relative placements, shelter placements, and other options.

Sec. 540. The department shall issue a request for proposals for treatment foster care services and/or group homes no later than January 1 of the current fiscal year. The request for proposals for treatment foster care shall be based on standards established by the legislatively established public/private specialized foster care subcommittee in 2005. Each nonprofit agency that has an existing foster care contract with the state of Michigan shall be eligible to respond to the request for proposals, with a goal that services be part of a continuum of services offered by the nonprofit agency.

Sec. 544. The department shall continue pilot projects with applications pending for accelerated residential treatment.

Sec. 546. (1) From the money appropriated in part 1 for foster care payments and from child care fund, the department shall pay providers of foster care services not less than a \$37.00 administrative rate.

(2) From the funds appropriated in part 1 for foster care payments and from child care fund, the department shall pay providers of general independent living services not less than a \$28.00 administrative rate. For specialized independent living services, the administrative rate paid shall not be less than the administrative rate paid in fiscal year 2008-2009.

(3) The department shall calculate and report by December 1 of the current fiscal year to the house and senate appropriations subcommittees on the department budget on the cost of care, on a per diem basis, for foster care services delivered directly by the department.

Sec. 548. During the annual budget presentation to the house and senate appropriations subcommittees on the department budget, the department shall report on progress in implementing the recommendations of the task force that studied the disproportionate representation of African-American and other children of color in the child welfare and juvenile justice systems as required under former section 548 of the fiscal year 2005-2006 budget act for the department.

Sec. 556. The department shall submit a quarterly report by February 1, May 1, August 1, and November 1 of each fiscal year to the chairpersons of the senate and house appropriations committees, the senate and house fiscal agencies, and the senate and house policy offices that includes all of the following:

(a) A description of how the department is complying with federal requirements to notify prospective adoptive parents about adoption subsidies for which those prospective adoptive parents may qualify.

(b) The number of requests received by the department from adoptive parents for money or reimbursement of costs to attend conferences that include training or discussion of significant adoption issues, the proportion of these requests approved by the department, and the total annual expenditure for approved requests.

(c) The number of fair hearing requests from adoptive parents received by the department challenging the amount of the adoption subsidy, broken down by the stated reason for the challenge.

(d) The number of adoption subsidy payments suspended when the child is still in the custody of the adoptive parent, but no longer in the physical care of the adoptive parent.

Sec. 562. (1) The department shall allow a county to submit a claim for title IV-E foster care funding for a placement in a secure residential facility if the county can demonstrate that the reason for the secure placement is a diagnosed medical necessity and not protection of the public.

(2) The department shall submit a claim for title IV-E foster care funding for a placement in a secure residential facility if the county can demonstrate that the reason for the secure placement is a diagnosed medical necessity and not protection of the public.

Sec. 565. (1) From the funds appropriated in part 1 for federally funded family preservation programs, the department shall allocate \$1,600,000.00 to Wayne County to provide home-based programs as part of the county expansion of community-based services to serve the county's adjudicated delinquent and abused and neglected youth.

(2) Federal revenues shall be paid to Wayne County as reimbursement for actual costs incurred, consistent with established federal requirements.

(3) As a condition of receipt of federal funds pursuant to subsection (1), Wayne County shall provide the department with a plan for the use of allocated funds in a format to be specified by the department. The county shall also provide the department with all information required to demonstrate the appropriateness and allowability of expenditures and to meet federal financial and programmatic reporting requirements.

Sec. 566. (1) Subject to subsection (2), beginning October 1, 2008, preference shall be given in the provision of direct foster care services to public and private agencies that are nationally accredited.

(2) Beginning October 1, 2007, the department shall not enter into or maintain a contract with a for-profit child placing agency, or with a nonprofit child placing agency that uses a for-profit management group or contracts with a for-profit organization for its management, to provide direct foster care services unless the agency was licensed on or before August 1, 2007 and, if the agency is a nonprofit child placing agency that uses a for-profit management group or contracts with a for-profit organization for its management, the contract with the for-profit group or organization existed prior to August 1, 2007.

Sec. 568. (1) From the money appropriated in part 1 for child welfare improvements, the department may allow the private sector to compete for the money to achieve permanency placement for children in foster care and prioritize funding for children in foster care who have barriers to permanency placement.

(2) The department shall submit quarterly reports to the legislature that include all of the following information on the appropriation adjustments described in section 568(2) of 2007 PA 131 and those same appropriations adjustments in this act:

(a) The number of positions hired or paid from these appropriations, what their titles and responsibilities will be, what performance objectives and measurable outcomes they are required to satisfy, and what they are being paid in salaries, wages, and fringe benefits. If a community-based provider of adoption services assumes an adoption case that was previously handled by a public agency or worker, the time that the case was handled by the public agency or worker shall not be counted in a performance measure without the consent of the community-based provider.

(b) Information on any contracts for services that have been awarded and the performance objectives and measurable outcomes that are incorporated in the contracts and the successes or failures that are achieved as a result.

(c) Detailed information on any money spent for child welfare improvements and what measurable outcome is expected for the money being spent.

Sec. 570. (1) From the money appropriated in part 1 for the guardianship assistance program, the department shall provide assistance under this program to children who are eligible under section 3 of the guardianship assistance act, 2008 PA 260, MCL 722.873.

(2) The department shall report during the annual budget presentation to the senate and house appropriations subcommittees on the department budget the number of guardianship subsidies and recommendations for any modifications in the guardianship assistance program.

Sec. 571. The department shall maintain a title IV-E compliance and accountability office with the following goals and responsibilities:

(a) Study efforts in other states to determine best practices for title IV-E-related activities and measures to maximize the receipt of federal money for eligible cases.

(b) Coordinate compliance with federal regulations in order to receive title IV-E money.

(c) Provide necessary technical assistance to local units of government, including courts, to ensure proper handling of cases and paperwork in preparation for federal audits and reviews.

(d) Coordinate a program to provide private persons, groups, and corporations with incentives to make tax-deductible contributions intended to assist foster care families to overcome barriers to becoming licensed and eligible to receive title IV-E money.

(e) As part of the reports required by section 582, provide information to the house and senate appropriations subcommittees on the department budget on activities and progress toward meeting the responsibilities outlined above.

Sec. 573. From the money appropriated in part 1 for adoption support services, \$1,049,400.00 is allocated to support adoption contracts focusing on long-term permanent wards who have been wards for more than 1 year after termination of parental rights. Private agencies shall receive \$16,000.00 for each finalized placement under the program.

Sec. 574. (1) From the money appropriated in part 1 for foster care payments, \$2,500,000.00 is allocated to support contracts with child placing agencies to facilitate the licensure of relative caregivers as foster parents. Agencies shall receive \$2,300.00 for each facilitated licensure. The agency facilitating the licensure would retain the placement and continue to provide case management services for at least 50% of the newly licensed cases for which the placement was appropriate to the agency. Up to 50% of the newly licensed cases would have direct foster care services provided by the department.

(2) From the money appropriated for foster care payments, \$375,000.00 is allocated to support family incentive grants to private and community-based foster care service providers to assist with home improvements or payment for physical exams for applicants needed by foster families to accommodate foster children.

Sec. 575. (1) Of the money provided for the training of human services workers, particularly caseworkers, the department shall use appropriated money to begin cultural sensitivity training and awareness with the goal of effectively reducing the number of minority children inappropriately removed from their homes for neglect and placed in the foster care system when more appropriate action would include the provision of support services to the family.

(2) Of the money appropriated to the department for family preservation and prevention, more specific focus shall be placed on preserving and reunifying families.

(3) As a condition for receiving appropriated money, the department and the office of the friend of the court shall work in cooperation to provide support services to families of custodial parents who have been awarded child support from a parent who is incarcerated.

Sec. 577. From the money appropriated in part 1, the department may allow a community collaborative to use strong families safe children program funds for a prevention program that meets standards agreed upon between the community collaborative and county department offices in accordance with federal regulations regarding expenditure of strong families safe children program funds.

Sec. 578. The department and child placing agencies shall utilize a standardized assessment tool to ensure greater cooperation between the department and the department of community health and to measure the mental health treatment needs of every child supervised by the department. The department shall use the results of this assessment process to determine what services are to be provided to the child while under department supervision.

Sec. 580. The department and the department of community health shall initiate efforts to identify mental health programs and activities where the services of the 2 departments overlap, or are uncoordinated. The goal shall be to provide adequate and stable mental health services which address the need of the individual child without duplicative, confusing, or needlessly complex services. The department shall report on these coordination efforts with the department of community health during the annual budget presentations to the senate and house appropriations subcommittees with jurisdiction over the department budget.

Sec. 581. (1) The money appropriated in part 1 for adoption support services shall be used by the department to increase the rates paid to private adoption agencies for all categories of adoption placements and adoption finalizations to reflect the rate schedule below:

Reimbursement Category	Placement Rate	Finalization Rate	Total Payment
Basic: More than 12 months	\$3,405	\$2,270	\$5,675
Standard: 9-12 months, statewide	\$3,538	\$2,364	\$5,902
Enhanced: 8 months, statewide	\$5,771	\$3,846	\$9,617
Premium: 5 months, statewide	\$7,371	\$4,914	\$12,285
Residential	\$8,513	\$5,676	\$14,189
MARE	\$13,094	\$8,730	\$21,824
In-state Transfer			\$1,845
Interstate: Existing Services			\$1,844
Interstate: New Services			\$3,546

(2) The additional revenue shall be used by private adoption agencies to increase the number of adoption workers to a level sufficient to meet the 15:1 cases-to-worker ratio requirements for adoption workers within the children's rights settlement agreement.

Sec. 582. On the first working day of February and August, for the preceding 6 months, the department shall submit a comprehensive child welfare improvement report, compiling material required by each section of this act related to

child welfare. This report will be provided to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director and will provide an overview of the status of all initiatives the department is required to carry out by this appropriation act and the impact of those initiatives on meeting the benchmarks established in the federal child and family service review process and the requirements established in the children's rights settlement agreement. The report may include information about other initiatives of the department and its service delivery partners which support improvements in safety, permanency, and well-being for the children and families served by Michigan's child welfare system.

Sec. 583. By February 1 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices a report detailing the number of individuals participating as foster parents during the previous fiscal year who dropped out of the program. The report shall also provide explanatory data on the primary reasons that foster parents chose to leave the program.

Sec. 584. The department shall provide recommendations to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices on changes to current state statutes that would ensure more effective communication between caseworkers and courts administering foster care cases.

Sec. 585. The department shall allow private nationally accredited foster care and adoption agencies to conduct their own staff training, based on current department policies and procedures, provided that the agency trainer and training materials are accredited by the department and that the agency documents to the department that the training was provided. The department shall provide access to any training materials requested by the private agencies to facilitate this training.

Sec. 586. (1) The department shall request a modification of the staffing requirement imposed by the children's rights settlement agreement. The modification would permit the department to ensure that 95% of purchase of service monitors will have a caseload of no more than 90 cases in the current fiscal year.

(2) The department shall evaluate the effectiveness of the purchase of service monitoring function to do all of the following:

(a) Eliminate tasks that are duplicative in nature.

(b) Establish standards for the duties of all purchase of services workers, including responsibilities to attend review hearings, frequency of conducting visits with children and families, and other county-by-county differences that currently exist.

(c) Review and approve case practice decisions in a timely manner to avoid delays in providing services to families and achieving permanency.

Sec. 587. (1) The appropriation in part 1 for the child care fund in-home care incentive program shall be used to encourage counties to increase the number of children in the child welfare and juvenile justice systems receiving in-home care services as opposed to out-of-home placements. Funds shall cover the costs of in-home care services that are eligible for temporary assistance for needy families funding. To receive reimbursement under the program, a county shall document that expenditures for in-home care services for the current fiscal year exceeded those of the previous fiscal year. Each county shall receive reimbursement from the department in an amount equal to 75% of the documented increase in in-home care expenditures. However, if the amount of eligible expenditures claimed by all counties exceeds the appropriation in part 1, each county will receive a prorated share of its documented increase in in-home care expenditures. Each county shall provide for the remaining 25% of costs from its child care fund.

(2) To participate in the child care fund in-home care incentive program, a county shall submit to the department by December 15 of each year, in a manner determined by the department, a report outlining its proposed budget for the incentive program for the current fiscal year and an overview of measures to be used to monitor outcomes for youth receiving services under the program. The department must approve a final report by the following February 15 for the county to be eligible for program reimbursement.

Sec. 588. (1) Concurrent with public release, the department shall transmit all reports from the court-appointed settlement monitor, including, but not limited to, the needs assessment and period outcome reporting, to the state budget office, the senate and house appropriations subcommittees on the department budget, and the senate and house fiscal agencies, without revision.

(2) The department shall report monthly to the state budget office, the senate and house appropriations subcommittees on the department budget, and the senate and house fiscal agencies, on the number of children enrolled in the guardianship assistance and foster care - children with serious emotional disturbance waiver programs.

Sec. 589. From the money appropriated in part 1 to facilitate the transfer of foster care cases currently under department supervision from department supervision to private child placing agency supervision, the department shall not transfer any foster care cases that require a county contribution to the private agency administrative rate.

## **PUBLIC ASSISTANCE**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

must be paid to a third party or through vendor payments. For purposes of this section, substance abuse treatment includes receipt of inpatient or outpatient services or participation in alcoholics anonymous or a similar program.

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

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

Sec. 606. County department offices shall require each recipient of family independence program and 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 family independence program or state disability assistance program upon receipt of retroactive supplemental security income benefits.

Sec. 607. (1) 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 may include revenues collected during the current year that are prior year related and not a part of the department's accrued entries.

(2) The department may use supplemental security income recoveries to satisfy the deduct in any line in which the revenues are appropriated, regardless of the source from which the revenue is recovered.

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

Sec. 609. The state supplementation level under the supplemental security income program for the personal care/adult foster care and home for the aged categories shall not be reduced during the current fiscal year. The legislature shall be notified not less than 30 days before any proposed reduction in the state supplementation level.

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

Sec. 611. A provider of indigent burial services may collect additional payment from relatives or other persons on behalf of the deceased if the total additional payment does not exceed \$4,000.00.

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

Sec. 613. (1) From the money appropriated in part 1 for indigent burial, the maximum allowable reimbursement limit for indigent burials shall be \$700.00, which shall be distributed as follows:

- (a) \$455.00 to the funeral director.
- (b) \$145.00 to the cemetery or crematorium.
- (c) \$100.00 to the provider of the vault.

(2) From the money appropriated in part 1 for indigent burial, the department may work with funeral directors to establish a regional or statewide pilot program that would include the following elements:

(a) The project shall provide funding only for the direct cremation of bodies of indigent persons that are not claimed by a person who has the right to control the disposition of the body.

(b) The payment to a funeral director for these services shall be \$800.00 plus mileage reimbursement for transportation costs at the standard rate established by the department of technology, management, and budget for travel reimbursement for nonstate vehicles and the cost of the cremation permit.

(c) The department may deviate from the payment limits established in subsection (1) in making payments under the program.

(d) The department shall forward a copy of the program to the senate and house of representatives appropriations subcommittees with jurisdiction over the department budget.

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 business days of the burial or cremation of the deceased person. Each provider of burial services shall be paid directly by the department.

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

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

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

- (a) The only eligible recipient has died.
- (b) A recipient member of a program group or family independence assistance group has died.
- (c) A recipient child is removed from his or her family home by court action.
- (d) A recipient requests in writing that his or her assistance be reduced, terminated, or suspended.
- (e) A recipient has been approved to receive assistance in another state.
- (f) A change in either state or federal law that requires automatic grant adjustments for classes of recipients.
- (g) The only eligible recipient in the household has been incarcerated.
- (h) A recipient is no longer a Michigan resident.
- (i) A recipient is closed on 1 case to be activated on another.
- (j) Federal payments (other than RSDI, railroad retirement, or VA) to the group have begun or increased.
- (k) A recipient is disqualified for intentional program violation.
- (l) When the department's negative action is upheld in an administrative hearing.

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

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

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

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

- (a) The identification of individuals on entry into the system who have a history of domestic violence, while maintaining the confidentiality of that information.
- (b) Referral of persons so identified to counseling and supportive services.
- (c) In accordance with a determination of good cause, the waiving of certain requirements of family independence programs where compliance with those requirements would make it more difficult for the individual to escape domestic violence or would unfairly penalize individuals who have been victims of domestic violence or who are at risk of further domestic violence.

Sec. 635. Within 24 hours of receiving all information necessary to process an application for payments for child development and care, the department shall determine whether the child care provider to whom the payments, if approved, would be made, is listed on the child abuse and neglect central registry. If the provider is listed on the central registry, the department shall immediately send written notice denying the applicant's request for child development and care payments.

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

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

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

Sec. 657. (1) The department shall allocate \$3,000,000.00 for the operation of a statewide before- and after-school program targeted to children in kindergarten through ninth grade. To be eligible to be part of the statewide program, a program must serve geographic areas near school buildings that do not meet federal no child left behind annual yearly progress (AYP) requirements and be included in the AYP plans of the affected school districts as a means to improve outcomes and serve children living in households with income below 200% of the federal poverty guidelines as established by the United States department of health and human services.

(2) The department shall require an applicant for before- and after-school funding under this section to demonstrate how its program would facilitate extensive involvement with the parents of children served by the program and to show how other programming being offered on the site would enhance the before- and after-school funding. Priority for funding shall be given to programs that can demonstrate effectiveness in these areas.

(3) The department shall evaluate each before- and after-school program that is part of the statewide program with special emphasis on the academic accomplishments and attendance records of program participants.

Sec. 659. The department may provide staff support to the Kent school services network to assist in addressing the multiple needs of children and families at community schools. The department may also participate in the expansion of this program in Kent County as well as other areas of the state that may use the Kent school services network program as a model.

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

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

Sec. 666. The department shall continue efforts to increase the participation of eligible family independence program recipients in the federal and state earned income tax credit.

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

(2) The department shall allocate up to \$12,751,000.00 for the annual clothing allowance. The allowance shall be granted to all eligible children as defined by the department.

(3) The department shall take steps to inform family independence program recipients eligible for the allowance under subsection (2) that the money is to be used for clothing for eligible children.

Sec. 671. Not later than January 1, 2011, the department shall impose a sanctions policy for criminal or fraudulent behavior for the child development and care program.

Sec. 672. (1) The department shall report to the senate and house of representatives appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices by May 1 of the current fiscal year on department efforts to reduce inappropriate use of electronic benefit transfer cards. The department shall provide information on the number of recipients of services who used their electronic benefit transfer card inappropriately and the current status of each case.

(2) As used in this section, "inappropriate use" means not used to meet a family's ongoing basic needs, including food, clothing, shelter, utilities, household goods, personal care items, and general incidentals.

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

Sec. 674. (1) The department shall continue administrative efforts to reduce waste, fraud, and abuse within the child development and care program. Beginning December 31 of the current fiscal year, the department shall report annually to the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on the estimated impact of efforts to reduce inappropriate payments through the child development and care program.

(2) The department may contract with a private entity to utilize information technology or other methods of management and oversight of child development and care payments to ensure that payments made through the child development and care program are accurate and appropriate.

Sec. 675. (1) The department shall establish a 1-time basic training requirement for all enrolled child development and care aides and relative care providers. All enrolled providers will be required to complete the basic training requirement in order to be eligible for state child development and care reimbursement payments.

(2) The department shall ensure that additional annual training beyond the basic training requirement is available for enrolled providers and shall make enhanced reimbursement payments to enrolled providers who complete at least 10 hours of optional annual training as outlined in subsection (3).

(3) From the money appropriated in part 1 for licensed and registered child development and care and enrolled child development and care, the department shall make payments to child care providers in accordance with the provisions of this subsection. The maximum hourly rates paid to child care providers shall vary depending upon provider type and the age of the child in care as outlined below:

(a) For children up to 2-1/2 years old, the maximum hourly rate, including the infant and toddler incentive, shall be as follows:

(i) For child care centers, \$3.75.

(ii) For family child care homes and group child care homes, \$2.90.

(iii) For enrolled providers who complete 10 hours of annual training, \$2.20.

(iv) For enrolled providers who do not complete 10 hours of annual training, \$1.85.

(b) For children over the age of 2-1/2 years, the maximum hourly rate shall be as follows:

(i) For child care centers, \$2.50.

(ii) For family child care homes and group child care homes, \$2.40.

(iii) For enrolled providers who complete 10 hours of annual training, \$1.85.

(iv) For enrolled providers who do not complete 10 hours of annual training, \$1.60.

(4) The department shall establish policies and rules for determining eligibility for the enhanced reimbursement payments to enrolled providers who complete 10 hours of annual training and shall ensure that the policies and rules are communicated to all enrolled providers that receive state reimbursement payments.

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

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

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

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

Sec. 678. (1) The department shall provide the house and senate appropriations subcommittees on the department budget with an annual report on the activities of the early childhood investment corporation (ECIC). The report is due by February 15 of each year and shall contain at least the following information:

(a) Detail of the amounts of grants awarded.

(b) The grant recipients.

(c) The activities funded by each grant.

(d) An analysis of each grant recipient's success in addressing the development of a comprehensive system of early childhood services and supports.

(2) All ECIC contracts for comprehensive systems planning shall be bid out through a statewide request-for-proposal process.

Sec. 679. If money becomes available, the department shall provide \$250,000.00 to the boys and girls club of Michigan from the child care services grants and contracts line in part 1.

Sec. 682. The department shall notify the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy staffs by February 1 of the current fiscal year regarding the JET program savings for the previous fiscal year and the details on the proposed use of that money.

Sec. 683. (1) From the money appropriated in part 1 for SSI advocacy, \$300,000.00 shall be paid to the Michigan state bar foundation for SSI advocacy services provided by the legal services association of Michigan for cases which had been referred prior to October 1, 2011, but which are not yet settled, completed, or resolved. The department shall develop a payment system for these cases which allows the legal services association of Michigan to retain prepayments authorized under this section and other payments under section 44 of the social welfare act, 1939 PA 280, MCL 400.44.

(2) Beginning October 1, 2010, the department may refer cases needing additional SSI legal assistance to the legal services association of Michigan. The referral shall notify the client that legal assistance provided by the legal services association of Michigan may be eligible to receive as a fee a portion of the client's SSI lump-sum payment from the social security administration as authorized by section 44 of the social welfare act, 1939 PA 280, MCL 400.44.

(3) Any department client of state disability assistance or family independence program services who desires or needs additional SSI legal assistance beyond what can be provided by the department shall be given a copy of a notice that includes the name and contract information for the geographically appropriate legal services program for the area of his or her residence. The notice shall include a statement that this legal assistance may be paid in part by a lump-sum SSI payment from the social security administration as authorized by section 44 of the social welfare act, 1939 PA 280, MCL 400.44.

(4) The department shall work with the legal services association of Michigan to develop a process by which clients who already have legal representation are identified as not referred to the legal services association of Michigan.

(5) The department shall work with the legal services association of Michigan to develop a streamlined process by which medical and legal records necessary for the legal representation can be more readily shared.

Sec. 685. (1) Not later than March 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees with jurisdiction over the department budget, and to the senate and house appropriations subcommittees with jurisdiction over the department of community health budget, on the number of recipients that applied for Medicaid coverage, the number of recipients that were approved for Medicaid coverage, and the number of recipients that were denied Medicaid coverage. The report shall describe these statistics comparing the current and previous fiscal years and summarize department programs to assist persons in applying for Medicaid.

(2) Not later than March 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees with jurisdiction over the department budget, and to the senate and house subcommittees with jurisdiction over the department of community health budget, on the number of applicants for home help services. The department shall give a summary report on the number of approved applications, denied applications, pending applications, and the number of applications in which the applicant was eligible for nursing home services.

Sec. 686. (1) The department shall ensure that program policy requires caseworkers to confirm that individuals presenting personal identification issued by another state seeking assistance through the family independence program, food assistance program, state disability assistance program, or medical assistance program are not receiving benefits from any other state.

(2) The department shall explore changes in program policies to ensure that caseworkers confirm the address provided by any individual seeking family independence program benefits or state disability assistance benefits.

(3) The department shall explore changes in program policy that would ensure that individuals with property assets assessed at a value higher than \$500,000.00 would not be able to access assistance through department-administered programs.

(4) The department shall modify program policy to ensure that caseworkers request an up-to-date telephone number during the eligibility determination or redetermination process for individuals seeking medical assistance benefits. On a monthly basis, the department shall provide the department of community health an updated list of telephone numbers for medical assistance recipients.

Sec. 688. The department in conjunction with Michigan works! shall examine and report on the incidence of reported barriers among families terminated from the family independence program because of noncompliance with work-related requirements. The report shall be submitted to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget director by April 1 of the current fiscal year.

Sec. 691. The department shall not distribute public assistance or subsidies to the parent or parents of school-age children if that parent or those parents have not signed a parent, student, teacher compact outlining the role of each party in the educational success of the student as required by the federal no child left behind act of 2001, Public Law 107-110.

Sec. 695. The funds appropriated in part 1 for food assistance program benefits (ARRA) that are financed by federal funds designated as ARRA funding represent federal funds associated with the American recovery and reinvestment act of 2009, Public Law 111-5. These federal funds are temporary in nature.

Sec. 696. From the money appropriated in part 1, the department shall allocate \$100.00 to the Chaldean community foundation. This money shall be utilized to provide translation services, health care services, youth tutoring and mentoring programs, and refugee resettlement services.

## **JUVENILE JUSTICE SERVICES**

Sec. 705. (1) The department, in conjunction with private juvenile justice residential programs, shall develop a methodology for measuring goals, objectives, and performance standards for the delivery of juvenile justice residential programs based on national standards and best practices. The department will provide a unified data collection mechanism to ensure consistent reporting of aggregate case information from the courts. These goals, objectives, and performance standards shall apply to both public and private delivery of juvenile justice residential programs, and data shall be collected from both private and public juvenile justice residential programs that can be used to evaluate performance achievements, including, but not limited to, the following:

- (a) Admission and release data and other information related to demographics of population served.
- (b) Program descriptions and information related to treatment, educational services, and conditions of confinement.
- (c) Program outcomes including recidivism rates for youth served by the facility.
- (d) Trends in census and population demographics.
- (e) Staff and resident safety.
- (f) Facility profile.

(2) The department during the annual budget presentation shall outline the progress of the development of the goals, objectives, and performance standards, as well as the information collected through the implementation of the performance measurement program. The presentation shall include all of the following:

(a) Actual cost and actual days of care by facility for the most recently completed fiscal year. This report shall also include the actual number of youth served as well as demographic information.

(b) Actual cost per day per youth by facility for the most recently completed fiscal year.

(c) An analysis of the variance between the estimated cost and days of care assumed in the original appropriation and the figures in subdivisions (a) and (b).

(d) Both the number of authorized FTE positions for each facility and the number of actual on-board FTE positions for the most recently completed fiscal year.

Sec. 706. Counties shall be subject to 50% chargeback for the use of alternative regional detention services, if those detention services do not fall under the basic provision of section 117e of the social welfare act, 1939 PA 280, MCL 400.117e, or if a county operates those detention services programs primarily with professional rather than volunteer staff.

Sec. 707. In order to be reimbursed for child care fund expenditures, counties are required to submit department-developed reports to enable the department to document potential federally claimable expenditures. This requirement is in accordance with the reporting requirements specified in section 117a(7) of the social welfare act, 1939 PA 280, MCL 400.117a.

Sec. 708. (1) As a condition of receiving money appropriated in part 1 for the child care fund line item, by February 15 of the current fiscal year, counties shall have an approved service spending plan for the current fiscal year. Counties must submit the service spending plan to the department by December 15 of the current fiscal year for approval. The department shall approve within 30 calendar days after receipt a properly completed service plan that complies with the requirements of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b.

(2) The department shall provide a report on the number of counties that fail to submit a service spending plan by December 15 of the current fiscal year. The report shall be submitted to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices by February 15 of the current fiscal year.

Sec. 717. (1) If funds become available, the department shall contract with a state university to conduct a behavioral health study of juvenile justice facilities operated or contracted for by the state. The study shall utilize diagnostic clinical interviews with and records reviews for a representative random sample of juvenile justice system detainees to develop a report on each of the following:

(a) The proportion of juvenile justice detainees with a primary diagnosis of emotional disorder, the percentage of those detainees considered to currently require mental health treatment, and the proportion of those detainees currently receiving mental health services, including a description and breakdown, encompassing, at a minimum, the categories of inpatient, residential, and outpatient care, of the type of mental health services provided to those detainees.

(b) The proportion of juvenile justice detainees with a primary diagnosis of addiction disorder, the percentage of those detainees considered to currently require substance abuse treatment, and the proportion of those detainees currently receiving substance abuse services, including a description and breakdown, encompassing, at a minimum, the categories of residential and outpatient care, of the type of substance abuse services provided to those detainees.

(c) The proportion of juvenile justice detainees with a dual diagnosis of emotional disorder and addiction disorder, the percentage of those detainees considered to currently require treatment for their condition, and the proportion of those detainees currently receiving that treatment, including a description and breakdown, encompassing, at a minimum, the categories of mental health inpatient, mental health residential, mental health outpatient, substance abuse residential, and substance abuse outpatient, of the type of treatment provided to those detainees.

(d) Data indicating whether juvenile justice detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder were previously hospitalized in a state psychiatric hospital for persons with mental illness. These data shall be broken down according to each of these 3 respective categories.

(e) Data indicating whether and with what frequency juvenile justice detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder have been detained previously. These data shall be broken down according to each of these 3 respective categories.

(f) Data classifying the types of offenses historically committed by juvenile justice detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder. These data shall be broken down according to each of these 3 respective categories.

(g) Data indicating whether juvenile justice detainees have previously received services managed by a community mental health program or substance abuse coordinating agency. These data shall be broken down according to the respective categories of detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder.

(2) The report referenced under subsection (1) would be provided not later than June 30 of the current fiscal year to the senate and house appropriations subcommittees on human services, the senate and house fiscal agencies and policy offices, and the state budget director.

Sec. 719. The department shall notify the legislature at least 30 days before closing or making any change in the status, including the licensed bed capacity and operating bed capacity, of a state juvenile justice facility.

Sec. 720. (1) The department shall implement the recommendations on a methodology for measuring goals, objectives, and performance standards developed in conjunction with private providers of juvenile justice residential programs required in section 705 of 2004 PA 344.

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

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

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

Sec. 721. The department shall report to the house and senate appropriations subcommittees on the department budget by October 1 of the current fiscal year on the placement of juvenile offenders who need services in community-based or privately operated facilities.

Sec. 723. A private provider of juvenile services may receive funding for both secure and nonsecure services if the provider has appropriate services for each security level and adequate measures to physically separate residents of each security level.

Sec. 726. (1) Beginning October 1, 2007, from the money appropriated in part 1 for foster care payments and child care fund, the department shall not enter into or maintain a contract with a for-profit provider of residential services for juvenile justice and abused or neglected youth, or with a nonprofit provider of residential services for juvenile justice and abused or neglected youth that uses a for-profit management group or contracts with a for-profit organization for its management, unless the provider was licensed on or before August 1, 2007 and, if the provider is a nonprofit provider of residential services for juvenile justice and abused or neglected youth that uses a for-profit management group or contracts with a for-profit organization for its management, the contract between the provider and the for-profit group or organization existed prior to August 1, 2007.

(2) A provider of residential services for juvenile justice and abused or neglected youth shall not receive a daily rate less than \$137.00.

## **LOCAL OFFICE SERVICES**

Sec. 750. (1) The department shall maintain out-stationed eligibility specialists in community-based organizations, nursing homes, and hospitals unless a community-based organization, nursing home, or hospital requests that the program be discontinued at its facility.

(2) The department shall continue to develop and expand opportunities for applicants for department assistance or services to apply for the assistance or services over the Internet.

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

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

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

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

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

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

Sec. 752. If sufficient funding becomes available from local sources, the department shall support the operation of 2 additional family resource centers in Genesee County, 3 additional family resource centers in Kent County, and 1 additional family resource center in Ingham County.

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

Sec. 754. From the money appropriated in part 1, the department shall provide \$850,000.00 to contract with a vendor for a customer service resource center. The customer service resource center shall be operational by April 1, 2011 and will assist in screening calls to county offices in order to allow caseworkers to devote more time to eligibility determination and case management activities. Staff duties at the customer service resource center shall include answering routine inquiries from clients and applicants and providing application assistance.

Sec. 755. From the money appropriated in part 1 within the field staff, salaries and wages line item for 200 limited-term eligibility full-time employees, the department shall inform all employees hired with these funds that their employment is temporary and should not be considered permanent. Any temporary employee hired may be given preference by the department for hiring if a suitable full-time permanent position becomes available within the department.

Sec. 756. The money appropriated in part 1 for limited-term field staff, salaries and wages shall only be expended to support the addition of 50 new limited-term eligibility specialist positions to be hired on or after January 1, 2011 and another 50 new limited-term eligibility specialist positions to be hired on or after April 1, 2011. However, no expenditures shall be made from this authorization until after the department has a signed contract with a vendor to establish a customer service resource center as required under section 754, and no expenditures shall be made from this authorization for the 50 limited-term eligibility specialist positions to be hired on or after April 1, 2011 until a customer service resource center as required under section 754 is operational.

Sec. 757. (1) The department shall collect data from each county office to evaluate whether the department efficiently and accurately meets the needs of public assistance applicants who have language barriers.

(2) Based on the data collected under subsection (1), the department shall review the current number of interpreter contracts to determine whether the current level of interpreter services is sufficient and whether the allocation of qualified interpreters across county offices is appropriate. The department shall create an assignment system for bilingual caseworkers that ensures placement of bilingual caseworkers in offices where the need is the greatest based on the number of bilingual client cases.

#### **DISABILITY DETERMINATION SERVICES**

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

## **CHILD SUPPORT ENFORCEMENT**

Sec. 901. (1) The appropriations in part 1 assume a total federal child support incentive payment of \$26,500,000.00.

(2) From the federal money received for child support incentive payments, \$12,000,000.00 shall be retained by the state and expended for child support program expenses.

(3) From the federal money received for child support incentive payments, \$14,500,000.00 shall be paid to the counties based on each county's performance level for each of the federal performance measures as established in 45 CFR 305.2.

(4) If the child support incentive payment to the state from the federal government is greater than \$26,500,000.00, then 100% of the excess shall be retained by the state and is appropriated until the total retained by the state reaches \$15,397,400.00.

(5) If the child support incentive payment to the state from the federal government is greater than the amount needed to satisfy the provisions identified in subsections (1), (2), (3), and (4), the additional funds shall be subject to appropriation by the legislature.

(6) If the child support incentive payment to the state from the federal government is less than \$26,500,000.00, then the state and county share shall each be reduced by 50% of the shortfall.

Sec. 902. (1) The department shall continue its work to fix and improve the child support computer system using the funding carried forward from prior fiscal years.

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

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

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

Sec. 907. The office of child support in cooperation with the state court administrative office shall establish a pilot program to examine the effectiveness of contracting with a public or private collection agency as authorized under section 10 of the office of child support act, 1971 PA 174, MCL 400.240. The pilot program shall be implemented during the current fiscal year. Any restricted revenue collected pursuant to this section shall not be expended until the department and representatives from counties and the friends of the court meet and agree upon recommendations for use of the revenue. The revenue is subject to appropriation by the legislature.

Sec. 909. (1) If statewide retained child support collections exceed \$38,300,000.00, 75% of the amount in excess of \$38,300,000.00 is appropriated to legal support contracts. This excess appropriation may be distributed to eligible counties to supplement and not supplant county title IV-D funding.

(2) Each county whose retained child support collections in the current fiscal year exceed its fiscal year 2004-2005 retained child support collections, excluding tax offset and financial institution data match collections in both the current year and fiscal year 2004-2005, shall receive its proportional share of the 75% excess.

(3) Payments to counties participating in projects pursuant to section 907 shall be reduced by the amount paid to the vendor. This authorization adjustment shall be made upon notification of the chairs of the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget director.

Sec. 910. (1) If title IV-D-related child support collections are escheated, the state budget director is authorized to adjust the sources of financing for the funds appropriated in part 1 for legal support contracts to reduce federal authorization by 66% of the escheated amount and increase general fund/general purpose authorization by the same amount. This budget adjustment is required to offset the loss of federal revenue due to the escheated amount being counted as title IV-D program income in accordance with federal regulations at 45 CFR 304.50.

(2) The department shall notify the chairs of the house and senate appropriations subcommittees on the department budget and the house and senate fiscal agencies within 15 days of the authorization adjustment in subsection (1).

**COMMUNITY ACTION AND ECONOMIC OPPORTUNITY**

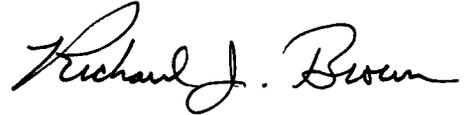
Sec. 1101. Not later than September 30 of each year, the department shall submit for public hearing to the chairpersons of the house and senate appropriations subcommittees dealing with appropriations for the department budget the proposed use and distribution plan for community services block grant funds appropriated in part 1 for the succeeding fiscal year.

Sec. 1102. 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 of the current fiscal year, and the plan shall be delivered to the appropriations subcommittees on the department budget in the senate and house, the senate and house fiscal agencies, and the state budget director.

Sec. 1104. The department shall award up to \$500,000.00 in competitive grants to organizations based on their education and outreach with the earned income tax credit (EITC). Organizations shall be given preference based on their emphasis on clients who have never filed for the EITC, clients with children, and clients for whom receipt of the EITC will make it easier for them to move off public assistance.

Sec. 1105. The department shall report quarterly to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office by February 1, May 1, August 1, and November 1 of each fiscal year on the number of homes weatherized through the appropriations in section 104 during the preceding quarter of the calendar year.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor



STATE OF MICHIGAN  
OFFICE OF THE GOVERNOR  
LANSING

JENNIFER M. GRANHOLM  
GOVERNOR

JOHN D. CHERRY, JR.  
LT. GOVERNOR

September 30, 2010

Michigan House of Representatives  
State Capitol  
Lansing, MI 48909-7536

Ladies and Gentlemen:

I have signed Enrolled House Bill 5882, which authorizes expenditures by the Department of Human Services (DHS) for the fiscal year ending September 30, 2011. I have, however, have disapproved several items pursuant to Section 19 of Article V of the Michigan Constitution of 1963. The item vetoes are detailed in the attached copy of the bill, which has been filed with the Secretary of State.

This bill appropriates nearly \$7 billion in total funding, representing a large increase over fiscal year 2010, largely because of dramatic growth in the 100% federally funded food assistance program caseload. It also includes adequate funding to support the department's child welfare improvement efforts and critical public assistance programs.

However, the enrolled bill contains funding for a number of program enhancements that were not included in my Executive Recommendation and that I do not support.

I have disapproved the following proposed appropriations that earmark funding for special projects that cannot be supported while other critical programs are being reduced: Sections 423(1), 423(3), 587, 676, 683, and 1104.

I have disapproved the proposed appropriations in Sections 288, 573 and 581 for increased provider payments as they cannot be sustained given our challenging fiscal situation.

I have disapproved Section 696 as the funding appropriated is not sufficient to support programming.

To provide direction regarding the implementation of this appropriations act, I note the following:

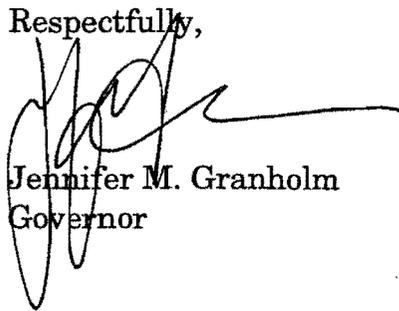
- Section 691: To the extent that this section attempts to amend the Social Welfare Act without republication, it violates Section 25 of

Michigan House of Representatives  
September 30, 2010  
Page 2

Article IV of the Michigan Constitution of 1963 and is unenforceable. Further the added provision for public assistance eligibility specified in the section violates federally established requirements for food assistance program eligibility and cannot be implemented.

I appreciate the effort it has taken to create this budget, even though I disagree with certain provisions. Thank you for presenting me with this budget.

Respectfully,



Jennifer M. Granholm  
Governor

cc: Michigan State Senate  
The Honorable Terri Lynn Land

**JUDICIAL BRANCH**



Act No. 167  
Public Acts of 2010  
Approved by the Governor  
September 23, 2010  
Filed with the Secretary of State  
September 23, 2010  
EFFECTIVE DATE: September 23, 2010

**STATE OF MICHIGAN  
95TH LEGISLATURE  
REGULAR SESSION OF 2010**

Introduced by Rep. Tlaib

# ENROLLED HOUSE BILL No. 5883

AN ACT to make appropriations for the judicial branch for the fiscal year ending September 30, 2011; to provide for the expenditure of these appropriations; to place certain restrictions on the expenditure of these appropriations; to prescribe the powers and duties of certain state and local departments, officials, and employees; to require certain reports; and to provide for the disposition of fees and other income received by the judicial branch.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the judicial branch for the fiscal year ending September 30, 2011, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**JUDICIARY**

APPROPRIATION SUMMARY

Full-time equated exempted positions.....	491.0		
GROSS APPROPRIATION .....		\$	260,358,800
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers.....			3,573,500
ADJUSTED GROSS APPROPRIATION .....		\$	256,785,300
Federal revenues:			
Total federal revenues .....			5,539,500
Special revenue funds:			
Total local revenues.....			6,252,200
Total private revenues .....			842,500
Total other state restricted revenues .....			92,078,000
State general fund/general purpose .....		\$	152,073,100

**Sec. 102. SUPREME COURT**

Full-time equated exempted positions.....	243.0		
Supreme court administration—97.0 FTE positions.....		\$	10,851,500
Judicial institute—13.0 FTE positions.....			2,594,600
State court administrative office—60.0 FTE positions .....			10,350,100
Judicial information systems—22.0 FTE positions .....			3,141,500

	For Fiscal Year Ending Sept. 30, 2011
Direct trial court automation support—36.0 FTE positions.....	\$ 6,252,200
Foster care review board—12.0 FTE positions.....	1,265,400
Community dispute resolution—3.0 FTE positions.....	2,313,200
Other federal grants.....	275,100
Drug treatment courts.....	6,133,000
Community court pilot project.....	20,000
GROSS APPROPRIATION.....	\$ 43,196,600
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of state police.....	1,800,000
IDG from department of corrections.....	1,050,000
IDG from state police - Michigan justice training fund.....	300,000
Federal revenues:	
DOJ, victims assistance programs.....	50,000
DOJ, drug court training and evaluation.....	300,000
DOT, national highway traffic safety administration.....	1,300,000
HHS, access and visitation grant.....	550,000
HHS, children's justice grant.....	206,300
HHS, court improvement project.....	1,160,000
HHS, title IV-D child support program.....	907,700
HHS, title IV-E foster care program.....	540,400
Other federal grant revenues.....	275,100
Special revenue funds:	
Local - user fees.....	6,252,200
Private.....	169,000
Private - interest on lawyers trust accounts.....	232,700
Private - state justice institute.....	370,800
Community dispute resolution fund.....	2,313,200
Law exam fees.....	536,200
Drug court fund.....	1,920,500
Miscellaneous revenue.....	227,900
Justice system fund.....	700,000
State court fund.....	339,000
State general fund/general purpose.....	\$ 21,695,600
 <b>Sec. 103. COURT OF APPEALS</b>	
Full-time equated exempted positions.....	190.0
Court of appeals operations—190.0 FTE positions.....	\$ 18,851,600
GROSS APPROPRIATION.....	\$ 18,851,600
Appropriated from:	
Special revenue funds:	
Court filing/motion fees.....	1,458,500
Miscellaneous revenue.....	77,800
State general fund/general purpose.....	\$ 17,315,300
 <b>Sec. 104. BRANCHWIDE APPROPRIATIONS</b>	
Full-time equated exempted positions.....	4.0
Branchwide appropriations—4.0 FTE positions.....	\$ 8,136,800
GROSS APPROPRIATION.....	\$ 8,136,800
Appropriated from:	
State general fund/general purpose.....	\$ 8,136,800
 <b>Sec. 105. JUSTICES' AND JUDGES' COMPENSATION</b>	
Full-time judges positions.....	615.0
Supreme court justices' salaries—7.0 justices.....	\$ 1,152,300
Court of appeals judges' salaries—28.0 judges.....	4,240,300
District court judges' state base salaries—258.0 judges.....	23,877,200
District court judicial salary standardization.....	11,796,800

	For Fiscal Year Ending Sept. 30, 2011
Probate court judges' state base salaries—103.0 judges.....	\$ 9,627,900
Probate court judicial salary standardization.....	4,669,700
Circuit court judges' state base salaries—219.0 judges .....	20,675,900
Circuit court judicial salary standardization .....	10,036,400
Judges' retirement system defined contributions.....	3,837,600
OASI, social security.....	5,375,900
<b>GROSS APPROPRIATION</b> .....	<b>\$ 95,290,000</b>
Appropriated from:	
Special revenue funds:	
Court fee fund .....	7,090,200
State general fund/general purpose .....	\$ 88,199,800
 <b>Sec. 106. JUDICIAL AGENCIES</b>	
Full-time equated exempted positions.....7.0	
Judicial tenure commission—7.0 FTE positions .....	\$ 992,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 992,000</b>
Appropriated from:	
State general fund/general purpose .....	\$ 992,000
 <b>Sec. 107. INDIGENT DEFENSE - CRIMINAL</b>	
Full-time equated exempted positions.....47.0	
Appellate public defender program—39.0 FTE positions.....	\$ 5,263,500
Appellate assigned counsel administration—8.0 FTE positions .....	931,600
<b>GROSS APPROPRIATION</b> .....	<b>\$ 6,195,100</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from state police - Michigan justice training fund.....	423,500
Federal revenues:	
Other federal grant revenue.....	250,000
Special revenue funds:	
Private - interest on lawyers trust accounts .....	70,000
Miscellaneous revenue .....	113,100
State general fund/general purpose .....	\$ 5,338,500
 <b>Sec. 108. INDIGENT CIVIL LEGAL ASSISTANCE</b>	
Indigent civil legal assistance.....	\$ 7,937,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 7,937,000</b>
Appropriated from:	
Special revenue funds:	
State court fund .....	7,937,000
State general fund/general purpose .....	\$ 0
 <b>Sec. 109. TRIAL COURT OPERATIONS</b>	
Court equity fund reimbursements .....	\$ 64,794,700
Judicial technology improvement .....	4,815,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 69,609,700</b>
Appropriated from:	
Special revenue funds:	
Court equity fund .....	54,399,600
Judicial technology improvement fund .....	4,815,000
State general fund/general purpose .....	\$ 10,395,100
 <b>Sec. 110. GRANTS AND REIMBURSEMENTS TO LOCAL GOVERNMENT</b>	
Drug case-flow program .....	\$ 250,000
Drunk driving case-flow program.....	3,300,000
Juror compensation reimbursement.....	6,600,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 10,150,000</b>

Appropriated from:	
Special revenue funds:	
Drug fund.....	\$ 250,000
Drunk driving fund.....	3,300,000
Juror compensation fund.....	6,600,000
State general fund/general purpose .....	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2010-2011 is \$244,151,100.00 and state spending from state resources to be paid to local units of government for fiscal year 2010-2011 is \$120,832,300.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

**JUDICIARY**

**SUPREME COURT**

State court administrative office .....	\$ 511,900
Drug treatment courts.....	3,533,000

**TRIAL COURT OPERATIONS**

Court equity fund reimbursements.....	\$ 64,794,700
Judicial technology improvement fund .....	4,815,000

**JUSTICES' AND JUDGES' COMPENSATION**

District court judicial salary standardization .....	\$ 11,796,800
Probate court judges' state base salaries.....	9,627,900
Probate court judicial salary standardization.....	4,669,700
Circuit court judicial salary standardization .....	10,036,400
Grant to OASI contribution fund, employers share, social security .....	896,900

**GRANTS AND REIMBURSEMENTS TO LOCAL GOVERNMENT**

Drunk driving case-flow program.....	\$ 3,300,000
Drug case-flow program .....	250,000
Juror compensation reimbursement.....	6,600,000
<b>TOTAL.....</b>	<b>\$ 120,832,300</b>

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

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

Sec. 203. As used in this act:

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

Sec. 204. The judicial branch shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 208. The reporting requirements of this act shall be completed with the approval of, and at the direction of, the supreme court. The judicial branch shall use the Internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 212. As a condition of expending appropriations made under part 1, the judicial branch shall receive and retain copies of all reports funded from appropriations in part 1 and shall follow federal and state guidelines for short-term and long-term retention of such reports and records.

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

Sec. 215. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2011 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Sec. 219. Not later than September 30, 2011, the judiciary shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 221. From the funds appropriated in part 1, the judicial branch shall use an amount not to exceed \$10,000.00 to develop, post, and maintain, on a publicly accessible Internet site, all expenditures made by the judicial branch within a fiscal year. The posting must include the purpose for which each expenditure is made. The judicial branch shall not be required to hire additional employees to comply with this section.

Sec. 223. From the balance in the juror compensation reimbursement fund as of the close of fiscal year 2009-2010, \$2,607,500.00 is appropriated and shall be transferred to the court equity fund.

## **JUDICIAL BRANCH**

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

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

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

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

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

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

Sec. 309. By April 1, 2011, the state court administrative office shall provide an update on the status of the pilot mental health courts to the state budget director, the senate and house appropriations subcommittees on the judiciary, and the senate and house fiscal agencies.

Sec. 310. From the funds appropriated in part 1 for drug treatment court programs, with the approval of and at the discretion of the supreme court, the state court administrative office shall evaluate and collect data on the performance of drug treatment court programs. The state court administrative office shall provide an annual review of the performance of drug courts as prescribed in section 1078(6) of the revised judicature act of 1961, 1961 PA 236, MCL 600.1078. All of the following apply to that annual review:

(a) It shall include measures of the impact of drug court programs in changing offender criminal involvement (recidivism) and substance abuse and in reducing prison admissions.

(b) It shall be completed no later than April 1 of each year and shall also be provided to the senate and house appropriations subcommittees on the judiciary, the senate and house fiscal agencies, and the state budget director.

(c) The evaluation of a program funded with federal Byrne funds shall be consistent with the requirements contained in the federal Byrne grant for that program.

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

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

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

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

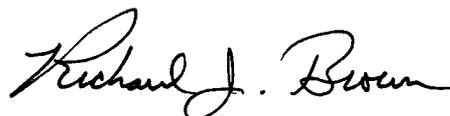
Sec. 312. From the funds appropriated in part 1, the state court administrator shall produce a statistical report regarding the implementation of the parental rights restoration act, 1990 PA 211, MCL 722.901 to 722.908, as it pertains to minors seeking a court-issued waiver of parental consent. The state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

Sec. 317. Funds appropriated in part 1 shall not be used for the permanent assignment of state-owned vehicles to justices or judges or any other judicial branch employee. This section does not preclude the use of state-owned motor pool vehicles for state business in accordance with approved guidelines.

Sec. 318. The funds appropriated in part 1 for the community court pilot project shall be used for the purposes of administering a pilot program of neighborhood-focused community courts. The state court administrative office shall work collaboratively with the designated courts when establishing the community courts.

Sec. 320. From the funds appropriated in part 1, \$1,000,000.00 in funding from the department of corrections shall be allocated to drug treatment courts to support mental health services.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor



**MILITARY AND VETERANS AFFAIRS**



Act No. 162  
Public Acts of 2010  
Approved by the Governor  
September 23, 2010  
Filed with the Secretary of State  
September 23, 2010  
EFFECTIVE DATE: September 23, 2010

**STATE OF MICHIGAN  
95TH LEGISLATURE  
REGULAR SESSION OF 2010**

Introduced by Rep. LeBlanc

# ENROLLED HOUSE BILL No. 5885

AN ACT to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2011; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of military and veterans affairs for the fiscal year ending September 30, 2011, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

APPROPRIATION SUMMARY

Full-time equated unclassified positions .....	7.0	
Full-time equated classified positions .....	970.0	
GROSS APPROPRIATION .....		\$ 150,042,900
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		1,152,900
ADJUSTED GROSS APPROPRIATION .....		\$ 148,890,000
Federal revenues:		
Total federal revenues .....		82,203,800
Special revenue funds:		
Total local revenues.....		645,400
Total private revenues.....		1,382,700
Total other state restricted revenues .....		28,233,400
State general fund/general purpose .....		\$ 36,424,700

**Sec. 102. HEADQUARTERS AND ARMORIES**

Full-time equated unclassified positions .....	7.0	
Full-time equated classified positions .....	110.0	
Headquarters and armories—85.0 FTE positions.....		\$ 11,231,600
Unclassified military personnel.....		665,000
Military appeals tribunal.....		900

For Fiscal Year  
Ending Sept. 30,  
2011

Michigan emergency volunteers .....	\$	5,000
State active duty.....		100,100
Challenge program—25.0 FTE positions .....		4,091,000
Homeland security.....		1,000,000
Military family relief fund.....		600,000
GROSS APPROPRIATION .....	\$	17,693,600
Appropriated from:		
Interdepartmental grant revenues:		
IDG, challenge grant.....		152,900
IDG, community health .....		100,000
IDG, state police .....		900,000
Federal revenues:		
DOD-DOA-NGB.....		6,519,800
Special revenue funds:		
Local - school aid fund .....		645,400
Rental fees .....		346,400
Mackinac Bridge authority .....		70,000
Private donations.....		842,700
Military family relief fund.....		600,000
State general fund/general purpose .....	\$	7,516,400

**Sec. 103. MILITARY TRAINING SITES AND SUPPORT FACILITIES**

Full-time equated classified positions.....	181.0	
Military training sites and support facilities—181.0 FTE positions .....		\$ 25,358,500
Military training sites and support facilities test projects .....		100,000
GROSS APPROPRIATION .....		\$ 25,458,500
Appropriated from:		
Federal revenues:		
DOD-DOA-NGB.....		23,988,400
Special revenue funds:		
Test project fees.....		100,000
State general fund/general purpose .....		\$ 1,370,100

**Sec. 104. DEPARTMENTWIDE APPROPRIATIONS**

Departmentwide accounts.....	\$	1,860,800
Special maintenance - state .....		651,200
Special maintenance - federal.....		5,300,000
Military retirement.....		3,584,100
Counter narcotic operations .....		50,000
Starbase grant.....		2,322,000
GROSS APPROPRIATION .....	\$	13,768,100
Appropriated from:		
Federal revenues:		
DOD-DOA-NGB.....		9,288,100
Federal counternarcotic revenues.....		50,000
State general fund/general purpose .....	\$	4,430,000

**Sec. 105. VETERANS ADVICE, ADVOCACY, AND ASSISTANCE**

Veterans advice, advocacy, and assistance grants .....	\$	3,029,600
GROSS APPROPRIATION .....	\$	3,029,600
Appropriated from:		
State general fund/general purpose .....	\$	3,029,600

**Sec. 106. GRAND RAPIDS VETERANS' HOME**

Full-time equated classified positions.....	513.0	
Grand Rapids veterans' home—513.0 FTE positions .....		\$ 50,891,300
Board of managers .....		665,000
GROSS APPROPRIATION .....		\$ 51,556,300
Appropriated from:		
Federal revenues:		
DVA-VHA.....		17,609,600

	For Fiscal Year Ending Sept. 30, 2011
HHS, Medicaid .....	\$ 164,300
HHS, Medicare .....	2,561,500
Special revenue funds:	
Private - veterans' home post and posthumous funds .....	415,000
Income and assessments .....	15,689,300
Military family relief fund .....	250,000
Lease revenue .....	12,200
State general fund/general purpose .....	\$ 14,854,400
<b>Sec. 107. D.J. JACOBETTI VETERANS' HOME</b>	
Full-time equated classified positions .....	158.0
D.J. Jacobetti veterans' home—158.0 FTE positions .....	\$ 16,521,400
Board of managers .....	275,000
GROSS APPROPRIATION .....	\$ 16,796,400
Appropriated from:	
Federal revenues:	
DVA-VHA .....	5,924,400
HHS, Medicare .....	589,200
HHS, Medicaid .....	10,800
Special revenue funds:	
Private - veterans' home post and posthumous funds .....	125,000
Military family relief fund .....	150,000
Income and assessments .....	5,128,600
State general fund/general purpose .....	\$ 4,868,400
<b>Sec. 108. VETERANS' AFFAIRS DIRECTORATE</b>	
Full-time equated classified positions .....	8.0
Veterans' affairs directorate administration—2.0 FTE positions .....	\$ 198,400
Veterans' trust fund administration—6.0 FTE positions .....	1,279,000
Veterans' trust fund grants .....	3,746,500
GROSS APPROPRIATION .....	\$ 5,223,900
Appropriated from:	
Special revenue funds:	
Michigan veterans' trust fund .....	5,025,500
State general fund/general purpose .....	\$ 198,400
<b>Sec. 109. INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 1,016,500
GROSS APPROPRIATION .....	\$ 1,016,500
Appropriated from:	
Federal revenues:	
DOD-DOA-NGB .....	130,400
DVA-VHA .....	356,800
HHS, Medicare .....	10,500
Special revenue funds:	
Income and assessments .....	361,400
State general fund/general purpose .....	\$ 157,400
<b>Sec. 110. CAPITAL OUTLAY</b>	
Special maintenance, remodeling and additions .....	\$ 15,000,000
Land acquisitions and appraisals .....	500,000
GROSS APPROPRIATION .....	\$ 15,500,000
Appropriated from:	
Federal revenues:	
DOD-DOA-NGB .....	15,000,000
Special revenue funds:	
Michigan national guard construction fund .....	500,000
State general fund/general purpose .....	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2010-2011 is \$64,658,100.00 and state spending from state resources to be paid to local units of government for fiscal year 2010-2011 is \$120,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

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

Payments in lieu of taxes ..... \$ 70,000

MICHIGAN VETERANS' TRUST FUND

County counselor education and training expenses ..... \$ 50,000

TOTAL..... \$ 120,000

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

Sec. 203. As used in this act:

- (a) "Department" means the department of military and veterans affairs.
- (b) "Director" means the director of the department of military and veterans affairs.
- (c) "DOD" means the United States department of defense.
- (d) "DOD-DOA-NGB" means the DOD department of the army, national guard bureau.
- (e) "DVA" means the United States department of veterans affairs.
- (f) "DVA-VHA" means the DVA veterans health administration.
- (g) "FTE" means full-time equated.
- (h) "HHS" means the United States department of health and human services.
- (i) "IDG" means interdepartmental grant.
- (j) "Large veterans service organization" means a VSO that can certify that its membership exceeds 30,000 individuals.
- (k) "Medium veterans service organization" means a VSO that can certify that its membership is between 2,500 and 30,000 individuals.
- (l) "Small veterans service organization" means a VSO that can certify that its membership is between 1,000 and 2,499 individuals.
- (m) "VSO" means veterans service organization.

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

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

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

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

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

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

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

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

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

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

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

Sec. 225. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2011 shall be limited to situations in which 1 or more of the following conditions apply:

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
  - (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
  - (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
  - (d) The travel is necessary to comply with federal requirements.
  - (e) The travel is necessary to secure specialized training for staff that is not available within this state.
  - (f) The travel is financed entirely by federal or nonstate funds.
- (2) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the senate and house of representatives standing committees on appropriations.

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

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

Sec. 226. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 227. Sixty days prior to the public announcement of the intention to sell any department property, the department shall submit notification of that intent to the appropriate senate and house appropriations subcommittees and the senate and house fiscal agencies.

Sec. 228. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 232. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$10,000,000.00 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 \$2,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

Sec. 233. Not later than September 30, 2011, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 234. Any fiscal year 2010-2011 unused general fund/general purpose funds identified by the department as lapsed funds shall be transferred to the appropriation for special maintenance - state in part 1 and shall be used for the repair and maintenance of state-owned armories.

Sec. 235. The department shall seek partnerships with United States armed forces reserve units for the colocation of activities, including sharing in the acquisition and costs for facilities.

## **HEADQUARTERS AND ARMORIES**

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

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

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

(3) The department shall take steps to recruit candidates to the challenge program from economically disadvantaged areas, including those with low-income and high-unemployment backgrounds.

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

## **VETERANS ADVICE, ADVOCACY, AND ASSISTANCE**

Sec. 501. (1) The department shall develop and operate a program which will provide benefits counseling and representation to veterans of this state for the purpose of assisting veterans to obtain United States department of veterans affairs health, financial, and memorial benefits for which they are eligible. The department shall work to maximize the coordination between veterans service organizations and any other organization which assists veterans.

(2) The department shall create a 5-member veterans advisory board to assist in matters pertaining to veterans advice, advocacy, and assistance, including recommendations concerning disbursement of any grant money. The department shall request that the state commanders group name candidates serving as president/commander from 2 large veterans service organizations, 2 medium veterans service organizations, and 1 small veterans service organization to serve on the advisory board. The veterans advisory board shall meet no less than twice a year, without reimbursement by the department.

(3) The duties of the veterans advisory board shall include, but are not limited to, the following:

- (a) Serving as a liaison between grant recipients, the department, and the legislature.
- (b) Assisting in recognizing any deficiencies in the grant process and performance.
- (c) Providing a forum regarding veterans issues.
- (d) Suggesting changes in department programs that would help keep pace with changing veterans needs.
- (e) Providing a direct contact with the veterans administration regarding updates on procedures.
- (f) Creating an awareness to make sure that grant recipients are performing the services intended.
- (g) Representing a voice for veterans service organizations.
- (h) Providing for a sounding board for grant recipients.
- (i) Assisting the department in establishing criteria for grant awards.
- (j) Assisting the department in developing plans, reviewing service delivery, and identifying goals to better assist veterans in applying for and receiving benefits from the federal, state, and local governments.
- (k) Providing testimony, if requested, to legislative committees.

(4) Of the appropriations in part 1 for veterans advice, advocacy, and assistance grants for the period of October 1, 2010 to September 30, 2011, \$3,029,600.00 shall be distributed by the department in the form of 5 grants: 2 large, 2 small, and 1 specialized grant for the period beginning October 1, 2010. The specialized grant shall be awarded to a group specializing in advocacy for paralyzed veterans. The department, while utilizing advice provided by the veterans advisory board establishing grant criteria, is solely responsible for determination of the amounts and recipients of these grants.

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

(6) To receive a grant from the money appropriated in part 1, a veterans service organization or a veterans service organization which is part of a combination of organizations receiving a grant shall meet the following eligibility requirements:

- (a) Be congressionally chartered by the United States congress.
- (b) Be an active participating member of the Michigan veterans organizations' rehabilitation and veterans service committee and abide by its rules, guidelines, and programs.
- (c) Demonstrate the receipt of monetary or service support from its own organization.
- (d) Comply with the department's and the legislature's requirements of accounting audits, service work activity, accounting of recoveries, listing of volunteer hours, budget requests, and other requirements specified in subsection (3). Each veterans service organization receiving a grant from the money appropriated in part 1 shall provide a copy of the most recent audit report to the department not later than May 1, 2011.

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

(7) A veterans service organization receiving a grant from the money appropriated in part 1 shall file with the department an accounting of its expenditures, audited and certified by a certified public accountant, within 120 days after the organization's fiscal year end. Each veterans service organization shall provide 5 copies of a listing of all service activity, an accounting of recoveries, and a listing of volunteer hours for the fiscal year ending September 30, 2010 to the department by January 31, 2011. Each organization shall include a listing of expenditures by spending

category, including a listing of individual salaries of each officer and administrative staff. The listing of volunteer hours shall include the hours, services, and donations provided to residents of the Grand Rapids veterans' home and the D.J. Jacobetti veterans' home. Each veterans service organization shall provide a copy of the most recent and completed internal revenue service form 990 to the department at the end of the fiscal year ending September 30, 2010. A veterans service organization receiving a grant from the money appropriated in part 1 shall use the forms recommended by the Michigan veterans organizations rehabilitation and veterans service committee for filing reports required by this act. The department shall provide a report not later than June 1, 2011 to the senate and house fiscal agencies, the senate and house appropriations subcommittees on state police and military and veterans affairs, and the state budget office detailing the most recent expenditure information provided by the veterans service organizations. The department shall also provide within that report specific notification whether any veterans service organization receiving a grant from the money appropriated in part 1 failed to comply with the reporting requirements of this section.

(8) The veterans service directors committee and the department shall take steps to improve the coordination of veterans benefits counseling in the state to maximize the effective and efficient use of taxpayer dollars in this goal and to ensure that every veteran is served.

(9) To accomplish the goal of subsection (8), the veterans service directors committee and the department shall take steps to increase their responsibility in the administration, management, oversight, and outreach of the delivery of services to veterans. The veterans service directors committee and the department shall involve county veterans counselors and representatives from the Michigan veterans trust fund to work in concert to identify, implement, and evaluate steps to do all of the following:

(a) Increase the veterans service directors committee and the department's role in working directly with the United States department of veterans affairs to enhance the delivery of services to Michigan veterans.

(b) Increase the number of initial claims filed with the United States department of veterans affairs on behalf of veterans for service-connected disability or pension benefits. The veterans service directors committee and the department may work toward either an absolute increase of approved claims or an increase in the percentage of Michigan veterans with approved claims.

(c) Develop methods to increase rates of recovery paid by the United States department of veterans affairs to Michigan veterans either by an increase in compensation paid per approved claim or an increase in compensation paid on a per capita basis.

(d) Expand training opportunities for veterans service organization service officers.

(e) Increase either the number or percentage of Michigan veterans enrolled in the veterans affairs health care system.

(f) Publicize the availability, benefit, and value of burial in the Fort Custer and Great Lakes national cemeteries.

(g) Review each grant recipient's performance under the program and require that performance be a major consideration in the future funding of each grant recipient.

(h) Identify areas of redundancy which may exist among services provided by veterans service organizations grantees, Michigan veterans trust fund county committees, and county veterans counselors and provide a proposal on how any redundancies may be minimized and identify specific cost savings which could result.

(10) Each veterans service organization receiving a grant from the money appropriated in part 1 shall file a report with the department not later than May 1, 2011 detailing the following information:

(a) Training completed by each veterans service officer employed by or working on behalf of the veterans service organization.

(b) A roster of the cases that each veterans service organization is serving or processing, including if those cases have been completed or are still pending, whether those cases have been initiated and completed by the veterans service organization, and which cases have been referred to and by county veterans counselors, congressional or senate offices, or any other organizations that serve veterans.

(11) The veterans advisory board, the Michigan association of county veterans counselors, and the department shall create a report of the efforts to complete the goals outlined in this section and shall provide suggestions on how a more effective and efficient veterans benefit counseling program may best be designed for implementation for fiscal year 2011-2012. This report shall be delivered to the house and senate appropriations subcommittees no later than March 1, 2011.

(12) The department shall record any additional administrative costs for collecting and compiling the information from subsections (7) and (10) and also provide this information with the reports required under subsection (7).

(13) The veterans affairs directorate shall design and operate an advocacy program to coordinate with other organizations which assist veterans, including county counselors and other groups, to ensure referrals between groups occur when warranted and to provide the veterans of the state with the most cost-effective and comprehensive counseling services possible. The department shall also take steps to become certified with the United States department of veterans affairs to assist in this task.

(14) The veterans affairs directorate shall deliver progress reports regarding the activities of the advocacy program to the senate and house appropriations subcommittees on state police and military and veterans affairs, with the first report due not later than April 1, 2011 and the second report due not later than October 1, 2011.

(15) The department shall issue performance standards to each veterans service organization grant recipient. Compliance with these performance standards shall be the basis for funding for future years. Failure to meet any or all of the performance standards may result in that organization losing funding in future years, and the department shall forward to the senate and house of representatives appropriations subcommittees on state police and military and veterans affairs corrective action and penalty recommendations.

## **VETERANS' HOMES**

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

Sec. 602. The Grand Rapids veterans' home and the D.J. Jacobetti veterans' home, together with the department and the department of technology, management, and budget, shall produce and deliver to the senate and house of representatives appropriations subcommittees on state police and military and veterans affairs an annual written report. The report shall include an accounting of member populations and bed space available; a description and accounting of services and activities provided to members; financial information; current state nursing home licensure status; the steps required for Medicaid certification, including a listing of any personnel, equipment, supplies, or budgetary increases required; and whether or not steps are being taken toward Medicaid certification. The annual report shall be submitted to the senate and house of representatives appropriations subcommittees on military affairs no later than February 1, 2011.

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

Sec. 605. The department shall, prior to altering the spending plan by the board of managers of post and posthumous funds, report to the appropriate senate and house appropriations subcommittees 30 days prior to that action and shall indicate the rationale for that decision.

## **VETERANS' AFFAIRS DIRECTORATE**

Sec. 703. By April 1, 2010, the department shall submit to the senate and house of representatives appropriations subcommittees on military affairs and the state budget office a detailed annual report of the Michigan veterans' trust fund for fiscal year 2009-2010. The report shall include information on grants provided from the emergency grant program, including details concerning the methodology of allocations, the selection of emergency grant program authorized agents, and a detailed breakdown of trust fund expenditures for that year. The report shall also provide an update on the department's efforts to reduce program administrative costs and restore the Michigan veterans' trust fund corpus to its original amount of \$50,000,000.00.

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

Sec. 705. It is the intent of the legislature that the department create incentives for all counties in the state to fund at least 1 full-time county veteran's counselor for the purpose of assisting veterans with obtaining federal veterans benefits that they may be eligible to receive. The incentives could include, but not be limited to, matching funds or sharing IT resources from the department for counties to use in maximizing benefits received by Michigan veterans.

## **CAPITAL OUTLAY**

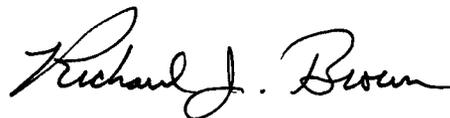
Sec. 801. The appropriations in part 1 for the department of military and veterans affairs design and construction projects are contingent upon the availability of federal and state restricted funds for financing.

Sec. 802. (1) The director shall allocate lump-sum appropriations made in this act consistent with statutory provisions and the purposes for which funds were appropriated. Lump-sum allocations shall address priority program or facility needs and may include, but are not limited to, design, construction, remodeling and addition, special maintenance, major special maintenance, energy conservation, and demolition.

(2) The state budget director may authorize that funds appropriated for lump-sum appropriations shall be available for no more than 3 fiscal years following the fiscal year in which the original appropriation was made. Any remaining balance from allocations made in this section shall lapse to the fund from which it was appropriated pursuant to the lapsing of funds as provided in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 803. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor

# **NATURAL RESOURCES**



Act No. 189  
Public Acts of 2010  
Approved by the Governor  
September 30, 2010  
Filed with the Secretary of State  
September 30, 2010  
EFFECTIVE DATE: September 30, 2010

**STATE OF MICHIGAN  
95TH LEGISLATURE  
REGULAR SESSION OF 2010**

Introduced by Senator McManus

# ENROLLED SENATE BILL No. 1161

AN ACT to make appropriations for the department of natural resources and environment for the fiscal year ending September 30, 2011; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of natural resources and environment for the fiscal year ending September 30, 2011, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENT  
APPROPRIATION SUMMARY**

Full-time equated unclassified positions .....	6.0		
Full-time equated classified positions.....	3,669.5		
GROSS APPROPRIATION .....		\$	718,968,400
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers.....			10,521,900
ADJUSTED GROSS APPROPRIATION.....		\$	708,446,500
Federal revenues:			
Total federal revenues .....			261,615,200
Special revenue funds:			
Total private revenues.....			6,509,100
Total other state restricted revenues .....			399,012,800
State general fund/general purpose .....		\$	41,309,400

FUND SOURCE SUMMARY

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	3,669.5	
GROSS APPROPRIATION .....		\$ 718,968,400
Appropriated from:		
Interdepartmental grant revenues:		
IDG, land acquisition services-to-work orders .....		417,000
IDG, MacMullan conference center revenue .....		1,413,100
IDG, MDSP .....		916,800
IDG, MDOT - Michigan transportation fund .....		1,132,600
IDT, interdivisional charges .....		2,053,400
IDT, laboratory services .....		4,589,000
Total interdepartmental grants and intradepartmental transfers .....		10,521,900
ADJUSTED GROSS APPROPRIATION .....		\$ 708,446,500
Federal revenues:		
Federal funds .....		261,615,200
Special revenue funds:		
Private funds .....		6,509,100
Aboveground storage tank fees .....		468,900
Air emissions fees .....		12,024,000
Aircraft fees .....		274,800
Campground fund .....		282,800
Cervidae licensing and inspection fees .....		168,100
Clean Michigan initiative - clean water fund .....		3,912,100
Clean Michigan initiative fund .....		26,900
Cleanup and redevelopment fund .....		14,595,600
Commercial forest fund .....		58,600
Community pollution prevention fund .....		250,000
Electronic waste recycling fund .....		258,400
Environmental education fund .....		251,500
Environmental pollution prevention fund .....		1,576,700
Environmental protection fund .....		6,763,000
Environmental response fund .....		7,947,500
Fees and collections .....		488,000
Financial instruments .....		5,000,000
Forest development fund .....		32,957,000
Forest land user charges .....		592,500
Forest recreation account .....		1,514,300
Game and fish protection fund .....		61,285,200
Game and fish protection fund - deer habitat reserve .....		2,617,500
Game and fish protection fund - fisheries settlement .....		923,100
Game and fish protection fund - turkey permit fees .....		1,975,300
Game and fish protection fund - waterfowl fees .....		201,200
Game and fish - wildlife resources protection fund .....		1,339,200
Game and fish protection fund - youth hunting and fishing education and outreach .....		48,700
Great Lakes protection fund .....		1,767,400
Groundwater discharge permit fees .....		1,574,600
Hazardous materials transportation permit fund .....		869,700
History fees fund .....		511,200
Infrastructure construction fund .....		420,700
Land and water permit fees .....		2,426,300
Land exchange facilitation fund .....		5,956,300
Landfill maintenance trust fund .....		60,000
Mackinac Island state park fund .....		1,670,200
Mackinac Island state park operation fund .....		175,400
Marine safety fund .....		3,798,000
Medical waste emergency response fund .....		321,300
Metallic mining surveillance fee revenue .....		36,900
Michigan heritage publications fund .....		50,000

For Fiscal Year  
Ending Sept. 30,  
2011

Michigan natural resources trust fund .....	\$	3,217,600
Michigan state parks endowment fund.....		12,007,800
Michigan state waterways fund .....		24,362,100
Mineral well regulatory fee revenue.....		207,600
Museum operations fund .....		535,600
Nonferrous metallic mineral surveillance .....		23,800
Nongame wildlife fund.....		727,300
NPDES fees.....		4,370,700
Off-road vehicle safety education fund .....		299,500
Off-road vehicle trail improvement fund.....		4,903,300
Oil and gas regulatory fund .....		10,550,000
Orphan well fund .....		2,136,800
Park improvement fund.....		44,460,700
Permanent snowmobile trail easement fund .....		700,000
Public swimming pool fund .....		669,800
Public use and replacement deed fees fund.....		100,000
Public utility assessments .....		780,300
Public water supply fees .....		4,583,900
Publication revenue .....		80,300
Recreation improvement account .....		1,512,300
Refined petroleum fund.....		37,124,200
Revitalization revolving loan fund.....		89,900
Revolving loan revenue bonds .....		11,400,000
Sand extraction fee revenue .....		78,400
Scrap tire regulatory fund .....		5,496,200
Septage waste contingency fund.....		40,300
Septage waste program fund.....		849,600
Settlement funds.....		2,392,700
Sewage sludge land application fee .....		1,060,400
Shop fees .....		19,000
Small business pollution prevention revolving loan fund.....		143,500
Snowmobile registration fee revenue .....		1,733,100
Snowmobile trail improvement fund.....		10,146,000
Soil erosion and sedimentation control training fund .....		130,300
Solid waste management fund - staff account.....		5,686,800
Sportsmen against hunger fund.....		50,000
Stormwater permit fees .....		3,258,000
Strategic water quality initiatives fund .....		10,000,000
Trailways fund.....		30,000
Underground storage tank fees .....		2,527,500
Waste reduction fee revenue .....		4,724,200
Wastewater operator training fees.....		190,000
Water analysis fees.....		4,062,200
Water pollution control revolving fund.....		3,422,500
Water quality protection fund .....		100,000
Water use reporting fees.....		589,700
Total other restricted revenues .....		399,012,800
State general fund/general purpose .....	\$	41,309,400

**Sec. 102. EXECUTIVE OPERATIONS**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions.....	29.0	
Unclassified salaries—6.0 FTE positions .....		\$ 602,300
Executive direction and citizen advisory councils—29.0 FTE positions .....		3,656,800
Natural resources commission.....		81,600
GROSS APPROPRIATION .....		\$ 4,340,700
Appropriated from:		
Federal revenues:		
Federal funds.....		69,400

Special revenue funds:	
Environmental response fund .....	\$ 135,800
Forest development fund .....	326,000
Forest land user charges.....	3,700
Forest recreation account .....	6,700
Game and fish protection fund .....	645,700
Game and fish - deer habitat reserve .....	11,400
Game and fish - turkey permit fees .....	15,300
Game and fish - waterfowl fees.....	700
Game and fish - wildlife resource .....	17,600
Land exchange facilitation fund.....	26,800
Marine safety fund .....	8,400
Michigan natural resources trust fund .....	19,500
Michigan state parks endowment fund.....	121,300
Michigan state waterways fund .....	185,900
Nongame wildlife fund.....	4,800
Off-road vehicle trail improvement fund.....	46,500
Oil and gas regulatory fund .....	228,000
Park improvement fund.....	452,300
Recreation improvement account .....	4,900
Refined petroleum fund.....	399,200
Settlement funds.....	59,800
Snowmobile registration fee revenue .....	9,300
Snowmobile trail improvement fund.....	32,500
State general fund/general purpose .....	\$ 1,509,200

**Sec. 103. OFFICE OF THE GREAT LAKES**

Full-time equated classified positions.....	18.0
Office of the Great Lakes—18.0 FTE positions .....	\$ 2,544,000
<b>GROSS APPROPRIATION .....</b>	<b>\$ 2,544,000</b>
Appropriated from:	
Federal revenues:	
Federal funds.....	1,500,800
Special revenue funds:	
Great Lakes protection fund .....	642,000
Settlement funds.....	100,600
State general fund/general purpose .....	\$ 300,600

**Sec. 104. GREAT LAKES RESTORATION INITIATIVE**

Great Lakes restoration initiative.....	\$ 65,000,000
<b>GROSS APPROPRIATION .....</b>	<b>\$ 65,000,000</b>
Appropriated from:	
Federal revenues:	
Federal funds.....	65,000,000
State general fund/general purpose .....	\$ 0

**Sec. 105. DEPARTMENT SUPPORT SERVICES**

Full-time equated classified positions.....	197.2
Central support services—192.2 FTE positions .....	\$ 22,018,500
Science and policy—5.0 FTE positions.....	568,900
Administrative hearings.....	467,200
Automated data processing .....	2,053,400
Building occupancy charges.....	9,560,800
Environmental support projects.....	5,000,000
Gifts and bequests .....	500,000
Rent - privately owned property.....	2,449,200
<b>GROSS APPROPRIATION .....</b>	<b>\$ 42,618,000</b>

Appropriated from:	
Interdepartmental grant revenues:	
IDG, land acquisition services-to-work orders.....	\$ 417,000
IDG, MDSP.....	85,700
IDT, interdivisional charges .....	2,053,400
IDT, laboratory services.....	496,300
Federal revenues:	
Federal funds.....	220,600
Special revenue funds:	
Private funds .....	500,000
Aboveground storage tank fees .....	55,200
Air emissions fees.....	1,635,800
Campground fund .....	16,100
Cleanup and redevelopment fund.....	1,371,800
Clean Michigan initiative fund .....	26,900
Environmental pollution prevention fund.....	110,200
Environmental protection fund.....	5,900
Environmental response fund .....	606,300
Fees and collections .....	40,800
Financial instruments .....	5,000,000
Forest development fund .....	2,589,500
Forest land user charges.....	6,500
Forest recreation account .....	71,600
Game and fish protection fund .....	4,436,900
Game and fish protection fund - deer habitat reserve.....	212,500
Game and fish protection fund - turkey permit fees.....	134,300
Game and fish protection fund - waterfowl fees.....	900
Game and fish - wildlife resource protection fund.....	43,800
Great Lakes protection fund .....	87,800
Groundwater discharge permit fees.....	185,700
Hazardous materials transportation permit fund.....	37,100
Land and water permit fees .....	303,200
Land exchange facilitation fund.....	5,766,000
Marine safety fund .....	337,100
Medical waste emergency response fund.....	43,000
Metallic mining surveillance fee revenue.....	1,400
Michigan natural resources trust fund .....	1,209,900
Michigan state parks endowment fund.....	237,000
Michigan state waterways fund .....	701,400
Mineral well regulatory fee revenue.....	16,200
Nongame wildlife fund.....	24,100
NPDES fees.....	438,500
Off-road vehicle trail improvement fund.....	26,600
Oil and gas regulatory fund .....	1,003,300
Orphan well fund .....	43,000
Park improvement fund.....	1,621,400
Public swimming pool fund .....	68,200
Public use and replacement deed fees fund.....	100,000
Public utility assessments .....	49,400
Public water supply fees .....	270,400
Recreation improvement account .....	27,300
Refined petroleum fund.....	1,890,900
Sand extraction fee revenue.....	1,100
Scrap tire regulatory fund .....	200,300
Septage waste program fund.....	36,200
Settlement funds.....	190,000
Sewage sludge land application fee.....	107,400
Small business pollution prevention revolving loan fund.....	20,200

For Fiscal Year  
Ending Sept. 30,  
2011

Snowmobile registration fee revenue .....	\$	60,400
Snowmobile trail improvement fund.....		231,500
Soil erosion and sedimentation control training fund .....		5,600
Solid waste management fund - staff account.....		618,700
Stormwater permit fees .....		196,200
Underground storage tank fees .....		233,100
Waste reduction fee revenue .....		388,600
Wastewater operator training fees.....		6,400
Water analysis fees.....		373,400
Water use reporting fees.....		9,500
State general fund/general purpose .....	\$	5,312,500

**Sec. 106. COMMUNICATION AND CUSTOMER SERVICES**

Full-time equated classified positions.....	176.3	
Marketing, education, and technology—123.3 FTE positions .....	\$	19,025,700
Historical administration and services—37.0 FTE positions .....		4,149,500
Special programs (Mann house)—1.0 FTE position.....		113,200
Thunder Bay national marine sanctuary and underwater preserve—1.0 FTE position.....		140,800
Museum stores—6.0 FTE positions .....		528,100
Freedom trail commission.....		22,500
Archives—8.0 FTE positions.....		768,300
GROSS APPROPRIATION .....	\$	24,748,100

Appropriated from:

Federal revenues:		
Federal funds.....		2,870,600
Special revenue funds:		
Private funds .....		1,150,100
Air emissions fees.....		414,300
Environmental education fund.....		251,500
Forest development fund .....		70,100
Forest recreation account .....		15,000
Game and fish protection fund .....		7,856,000
Game and fish - youth hunting and fishing education and outreach fund.....		48,700
History fees fund .....		511,200
Land exchange facilitation fund.....		40,300
Marine safety fund .....		27,000
Michigan heritage publication fund .....		50,000
Michigan natural resources trust fund .....		21,100
Michigan state parks endowment fund.....		51,200
Michigan state waterways fund .....		121,600
Museum operations fund .....		535,600
Off-road vehicle safety education fund .....		52,900
Off-road vehicle trail improvement fund.....		25,000
Park improvement fund.....		2,350,300
Settlement funds.....		235,600
Small business pollution prevention revolving loan fund.....		114,600
Snowmobile registration fee revenue .....		45,000
Snowmobile trail improvement fund.....		36,600
Sportsmen against hunger fund.....		50,000
Waste reduction fee revenue .....		3,937,400
State general fund/general purpose .....	\$	3,866,400

**Sec. 107. WILDLIFE MANAGEMENT**

Full-time equated classified positions.....	206.0	
Wildlife management—197.0 FTE positions.....	\$	28,593,400
Natural resources heritage—9.0 FTE positions .....		1,285,200
State game and wildlife area maintenance .....		750,000
GROSS APPROPRIATION .....	\$	30,628,600

Appropriated from:	
Federal revenues:	
Federal funds.....	\$ 14,627,100
Special revenue funds:	
Private funds .....	114,600
Cervidae licensing and inspection fees .....	103,000
Forest development fund .....	67,700
Game and fish protection fund .....	9,351,700
Game and fish protection fund - deer habitat reserve.....	2,164,000
Game and fish protection fund - turkey permit fees.....	1,751,400
Game and fish protection fund - waterfowl fees .....	103,600
Nongame wildlife fund.....	659,300
State general fund/general purpose .....	\$ 1,686,200

**Sec. 108. FISHERIES MANAGEMENT**

Full-time equated classified positions.....	232.0
Aquatic resource mitigation—2.0 FTE positions.....	\$ 924,100
Fisheries resource management—170.0 FTE positions .....	19,327,200
Fish production—60.0 FTE positions .....	8,701,300
Cormorant population mitigation program .....	50,000
GROSS APPROPRIATION .....	\$ 29,002,600

Appropriated from:	
Federal revenues:	
Federal funds.....	11,169,900
Special revenue funds:	
Private funds .....	116,700
Game and fish protection fund .....	16,792,900
Game and fish protection fund - fisheries settlement.....	923,100
State general fund/general purpose .....	\$ 0

**Sec. 109. WATER RESOURCE DIVISION**

Full-time equated classified positions.....	352.6
Land and water interface positions—95.0 FTE positions.....	\$ 11,443,000
Program direction and project assistance—38.1 FTE positions.....	2,703,000
Water withdrawal assessment program—3.0 FTE positions.....	1,004,500
Expedited water/wastewater permits—3.0 FTE positions .....	420,700
Fish contaminant monitoring .....	316,100
Groundwater discharge—20.0 FTE positions .....	2,874,800
NPDES nonstormwater program—94.7 FTE positions.....	11,686,500
Surface water—98.8 FTE positions .....	14,811,900
GROSS APPROPRIATION .....	\$ 45,260,500

Appropriated from:	
Interdepartmental grant revenues:	
IDG, MDOT - Michigan transportation fund.....	1,075,800
Federal revenues:	
Federal funds.....	13,547,600
Special revenue funds:	
Clean Michigan initiative - clean water fund.....	3,912,100
Environmental protection fund.....	2,083,800
Environmental response fund .....	177,800
Groundwater discharge permit fees.....	1,310,800
Infrastructure construction fund .....	420,700
Land and water permit fees .....	1,989,900
NPDES fees.....	3,734,500
Refined petroleum fund.....	425,800
Soil erosion and sedimentation control training fund .....	122,200
Stormwater permit fees .....	2,877,400
Water pollution control revolving fund.....	710,800
Water use reporting fees.....	576,100
State general fund/general purpose .....	\$ 12,295,200

**Sec. 110. LAW ENFORCEMENT**

Full-time equated classified positions.....	248.0	
Environmental investigations—20.0 FTE positions.....		\$ 2,681,300
General law enforcement—228.0 FTE positions.....		28,946,200
<b>GROSS APPROPRIATION</b> .....		<b>\$ 31,627,500</b>
Appropriated from:		
Federal revenues:		
Federal funds.....		5,901,900
Special revenue funds:		
Aboveground storage tank fees .....		5,100
Air emissions fees .....		149,800
Campground fund .....		2,800
Cervidae licensing and inspection fees .....		65,100
Cleanup and redevelopment fund .....		125,900
Environmental pollution prevention fund .....		10,300
Environmental protection fund.....		45,100
Environmental response fund .....		65,000
Fees and collections .....		3,800
Forest recreation account .....		63,500
Game and fish protection fund .....		17,352,300
Game and fish protection fund - wildlife resource protection fund.....		1,215,800
Great Lakes protection fund .....		8,200
Groundwater discharge permit fees.....		17,200
Hazardous materials transportation permit fund .....		3,500
Land and water permit fees .....		36,600
Marine safety fund .....		1,397,200
Medical waste emergency response fund.....		4,100
Metallic mining surveillance fee revenue .....		500
Mineral well regulatory fee revenue.....		1,600
NPDES fees.....		41,300
Off-road vehicle safety education fund .....		85,200
Off-road vehicle trail improvement fund.....		1,304,000
Oil and gas regulatory fund .....		113,600
Orphan well fund .....		4,100
Park improvement fund.....		63,500
Public swimming pool fund .....		5,100
Public water supply fees .....		25,200
Refined petroleum fund.....		290,000
Sand extraction fee revenue.....		500
Scrap tire regulatory fund .....		96,500
Septage waste program fund.....		3,400
Settlement funds.....		22,200
Sewage sludge land application fee .....		9,700
Small business pollution prevention revolving loan fund.....		1,900
Snowmobile registration fee revenue .....		885,700
Soil erosion and sedimentation control training fund .....		600
Stormwater permit fees .....		18,400
Underground storage tank fees .....		21,900
Waste reduction fee revenue .....		45,400
Wastewater operator training fees.....		600
Water analysis fees.....		28,200
Water use reporting fees.....		900
State general fund/general purpose .....		\$ 2,084,300

**Sec. 111. RECREATION DIVISION**

Full-time equated classified positions.....	809.9	
MacMullan conference center—15.0 FTE positions .....		\$ 1,413,100
State parks—631.4 FTE positions.....		48,043,800

	For Fiscal Year Ending Sept. 30, 2011
State park improvement revenue bonds - debt service .....	\$ 1,153,700
Recreational boating—163.5 FTE positions .....	15,357,300
<b>GROSS APPROPRIATION .....</b>	<b>\$ 65,967,900</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG, MacMullan conference center revenue .....	1,413,100
Federal revenues:	
Federal funds.....	122,400
Special revenue funds:	
Private funds .....	370,300
Michigan state parks endowment fund.....	10,621,400
Michigan state waterways fund .....	15,357,300
Off-road vehicle trail improvement fund.....	257,300
Park improvement fund.....	37,826,100
State general fund/general purpose .....	\$ 0

**Sec. 112. MACKINAC ISLAND STATE PARK COMMISSION**

Full-time equated classified positions.....	37.0
Mackinac Island park operations—22.0 FTE positions .....	\$ 1,532,200
Historical facilities system—15.0 FTE positions .....	1,846,900
<b>GROSS APPROPRIATION .....</b>	<b>\$ 3,379,100</b>
Appropriated from:	
Special revenue funds:	
Mackinac Island state park operation fund.....	175,400
Mackinac Island state park fund.....	1,670,200
State general fund/general purpose .....	\$ 1,533,500

**Sec. 113. FOREST MANAGEMENT DIVISION**

Full-time equated classified positions.....	395.0
Forest management and timber market development—177.0 FTE positions .....	\$ 22,813,700
Adopt-a-forest program.....	25,000
Wildfire protection—122.0 FTE positions.....	12,115,400
Forest recreation—48.0 FTE positions .....	4,828,300
Minerals management—26.0 FTE positions .....	2,954,800
Cooperative resource programs—12.0 FTE positions .....	1,094,800
Forest management initiative—10.0 FTE positions .....	837,900
Forest fire equipment.....	500,000
<b>GROSS APPROPRIATION .....</b>	<b>\$ 45,169,900</b>
Appropriated from:	
Federal revenues:	
Federal funds.....	2,944,600
Special revenue funds:	
Private funds .....	941,000
Aircraft fees.....	274,800
Commercial forest fund .....	52,100
Forest development fund .....	28,112,800
Forest land user charges.....	558,500
Forest recreation account .....	1,297,100
Game and fish protection fund .....	1,768,700
Michigan natural resources trust fund .....	1,604,300
Michigan state parks endowment fund.....	598,300
Michigan state waterways fund .....	455,300
Off-road vehicle safety education fund .....	6,400
Off-road vehicle trail improvement fund.....	776,300
Recreation improvement fund.....	345,300
Shop fees .....	19,000
Snowmobile registration fee revenue .....	15,100
Snowmobile trail improvement fund.....	1,703,800

For Fiscal Year  
Ending Sept. 30,  
2011

Trailways fund.....	\$	30,000
State general fund/general purpose .....	\$	3,666,500

**Sec. 114. AIR QUALITY DIVISION**

Full-time equated classified positions.....	229.0	
Air quality programs—229.0 FTE positions.....	\$	25,540,000
<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>25,540,000</b>

Appropriated from:

Federal revenues:

Federal funds.....		7,164,100
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Special revenue funds:

Air emissions fees.....		9,256,600
Environmental response fund .....		114,600
Fees and collections .....		323,900
Oil and gas regulatory fund .....		116,300
Refined petroleum fund.....		3,026,400
State general fund/general purpose .....	\$	5,538,100

**Sec. 115. ENVIRONMENTAL RESOURCE MANAGEMENT DIVISION**

Full-time equated classified positions.....	349.5	
Drinking water and environmental health—116.5 FTE positions.....	\$	14,777,300
Hazardous waste management program—57.0 FTE positions .....		6,284,900
Low-level radioactive waste authority—2.0 FTE positions .....		715,100
Medical waste program—2.0 FTE positions.....		259,900
Municipal assistance—37.0 FTE positions .....		5,511,800
Radiological protection program—12.0 FTE positions.....		1,098,200
Scrap tire regulatory program—11.0 FTE positions .....		1,146,900
Oil, gas, and mineral services—60.0 FTE positions.....		11,173,600
Sewage sludge land application program—6.0 FTE positions .....		909,000
Solid waste management program—46.0 FTE positions .....		5,275,100
<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>47,151,800</b>

Appropriated from:

Interdepartmental grant revenues:

IDG, MDSP.....		802,000
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Federal revenues:

Federal funds.....		15,193,900
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Special revenue funds:

Campground fund .....		253,900
Electronic waste recycling fund.....		258,400
Environmental pollution prevention fund .....		1,353,400
Fees and collections .....		100,900
Hazardous materials transportation permit fund .....		816,600
Medical waste emergency response fund .....		259,900
Metallic mining surveillance fee revenue .....		34,500
Mineral well regulatory fee revenue .....		184,400
Nonferrous metallic mineral surveillance .....		23,800
Oil and gas regulatory fund .....		8,638,200
Orphan well fund .....		2,075,400
Public swimming pool fund .....		578,200
Public utility assessments .....		715,100
Public water supply fees .....		2,453,900
Publication revenue.....		80,300
Refined petroleum fund.....		576,900
Sand extraction fee revenue.....		76,500
Scrap tire regulatory fund .....		1,146,900
Septage waste contingency fund.....		40,300
Septage waste program fund.....		395,300
Sewage sludge land application fee .....		909,000

For Fiscal Year  
Ending Sept. 30,  
2011

Solid waste management fund - staff account .....	\$	4,861,000
Stormwater permit fees .....		100,300
Strategic water quality initiatives fund .....		400,000
Wastewater operator training fees.....		180,800
Water pollution control revolving fund.....		2,540,000
Waste reduction fee revenue .....		155,700
State general fund/general purpose .....	\$	1,946,300

**Sec. 116. REMEDIATION DIVISION**

Full-time equated classified positions.....		390.0
Contaminated site investigations, cleanup and revitalization—230.0 FTE positions .....	\$	24,996,800
Federal cleanup project management—60.0 FTE positions .....		8,859,600
Laboratory services—59.0 FTE positions .....		7,656,600
Aboveground storage tank program—8.0 FTE positions .....		815,100
Underground storage tank program—33.0 FTE positions .....		3,740,500
Emergency cleanup action .....		4,000,000
Environmental cleanup support.....		1,840,000
Refined petroleum product cleanup program.....		20,000,000
Superfund cleanup .....		3,000,000
GROSS APPROPRIATION .....	\$	74,908,600

Appropriated from:

Interdepartmental grant revenues:		
IDT, laboratory services.....		3,938,700
Federal revenues:		
Federal funds.....		9,747,400
Special revenue funds:		
Private funds .....		166,400
Aboveground storage tank fees .....		390,600
Cleanup and redevelopment fund.....		12,610,700
Environmental protection fund.....		4,627,100
Environmental response fund .....		6,586,400
Landfill maintenance trust fund .....		60,000
Public water supply fees .....		268,000
Refined petroleum fund.....		29,213,500
Revitalization revolving loan fund.....		89,900
Settlement funds.....		1,705,200
Underground storage tank fees .....		2,054,800
Water analysis fees.....		3,449,900
State general fund/general purpose .....	\$	0

**Sec. 117. GRANTS**

Accessibility grants .....	\$	1,000,000
Coastal management grants .....		2,000,000
Drinking water program grants .....		1,330,000
Federal - clean vessel act grants .....		400,000
Federal - forest stewardship grants .....		3,125,000
Federal - Great Lakes remedial action plan grants.....		700,000
Federal - land and water conservation fund payments .....		2,566,900
Federal - nonpoint source water pollution grants.....		6,500,000
Federal - rural community fire protection.....		300,000
Federal - urban forestry grants.....		3,024,000
Game and nongame wildlife fund grants.....		10,000
Grants to communities - federal oil, gas, and timber payments .....		3,450,000
Grants to counties - air pollution.....		83,700
Grant to counties - marine safety .....		3,647,400
Great Lakes research and protection grants.....		1,000,000
National recreational trails .....		3,950,000
Noncommunity water grants.....		1,400,000
Off-road vehicle safety training grants.....		150,000

	For Fiscal Year Ending Sept. 30, 2011
Off-road vehicle trail improvement grants .....	\$ 2,454,000
Pollution prevention local grants .....	250,000
Radon grants .....	90,000
Recreation improvement fund grants .....	1,100,000
Scrap tire grants .....	3,700,000
Septage waste compliance grants .....	400,000
Snowmobile law enforcement grants .....	673,000
Snowmobile local grants program .....	8,004,000
Strategic water quality initiative loans .....	9,600,000
Trail easements .....	700,000
Water pollution control and drinking water revolving funds .....	82,943,000
Water quality protection grants .....	100,000
GROSS APPROPRIATION .....	\$ 144,651,000
Appropriated from:	
Federal revenues:	
Federal funds .....	100,496,300
Special revenue funds:	
Private funds .....	1,150,000
Community pollution prevention fund .....	250,000
Great Lakes protection fund .....	1,000,000
Marine safety fund .....	1,980,000
Nongame wildlife fund .....	10,000
Off-road vehicle safety education fund .....	150,000
Off-road vehicle trail improvement fund .....	2,454,000
Permanent snowmobile trail easement fund .....	700,000
Public water supply fees .....	1,400,000
Recreation improvement fund .....	1,100,000
Refined petroleum fund .....	83,700
Revolving loan revenue bonds .....	11,400,000
Scrap tire regulatory fund .....	3,700,000
Septage waste program fund .....	400,000
Snowmobile registration fee revenue .....	673,000
Snowmobile trail improvement fund .....	8,004,000
Strategic water quality initiatives fund .....	9,600,000
Water quality protection fund .....	100,000
State general fund/general purpose .....	\$ 0
<b>Sec. 118. INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 17,451,500
GROSS APPROPRIATION .....	\$ 17,451,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG, MDSP .....	29,100
IDG, MDOT - Michigan transportation fund .....	56,800
IDT, laboratory services .....	154,000
Federal revenues:	
Federal funds .....	1,963,600
Special revenue funds:	
Aboveground storage tank fees .....	18,000
Air emissions fees .....	567,500
Campground fund .....	10,000
Cleanup and redevelopment fund .....	487,200
Commercial forest fund .....	6,500
Environmental pollution prevention fund .....	102,800
Environmental protection fund .....	1,100
Environmental response fund .....	261,600
Fees and collections .....	18,600
Forest development fund .....	1,790,900
Forest land user charges .....	23,800

For Fiscal Year  
Ending Sept. 30,  
2011

Forest recreation account .....	\$	60,400
Game and fish protection fund .....		3,081,000
Game and fish protection fund - deer habitat reserve.....		94,600
Game and fish protection fund - turkey permit fees.....		74,300
Game and fish protection fund - waterfowl fees.....		6,000
Game and fish - wildlife resource protection fund.....		62,000
Great Lakes protection fund .....		29,400
Groundwater discharge permit fees.....		60,900
Hazardous materials transportation permit fund.....		12,500
Land and water permit fees .....		96,600
Land exchange facilitation fund.....		123,200
Marine safety fund .....		48,300
Medical waste emergency response fund.....		14,300
Metallic mining surveillance fee revenue.....		500
Michigan natural resources trust fund .....		362,800
Michigan state parks endowment fund.....		378,600
Michigan state waterways fund .....		562,000
Mineral well regulatory fee revenue.....		5,400
Nongame wildlife fund.....		29,100
NPDES fees.....		156,400
Off-road vehicle trail improvement fund.....		13,600
Off-road vehicle safety education fund .....		5,000
Oil and gas regulatory fund .....		450,600
Orphan well fund .....		14,300
Park improvement fund.....		1,447,100
Public swimming pool fund .....		18,300
Public utility assessments .....		15,800
Public water supply fees .....		166,400
Recreation improvement account .....		34,800
Refined petroleum fund.....		1,217,800
Sand extraction fee revenue.....		300
Scrap tire regulatory fund .....		352,500
Septage waste program fund.....		14,700
Settlement funds.....		79,300
Sewage sludge land application fee .....		34,300
Small business pollution prevention revolving loan fund.....		6,800
Snowmobile registration fee revenue .....		44,600
Snowmobile trail improvement fund.....		137,600
Soil erosion and sedimentation control training fund .....		1,900
Solid waste management fund - staff account.....		207,100
Stormwater permit fees .....		65,700
Underground storage tank fees .....		217,700
Waste reduction fee revenue .....		197,100
Wastewater operator training fees.....		2,200
Water analysis fees.....		210,700
Water pollution control revolving fund.....		171,700
Water use reporting fees.....		3,200
State general fund/general purpose .....	\$	1,570,600

**Sec. 119. CAPITAL OUTLAY**

**(1) STATE PARK AND FOREST AREA IMPROVEMENTS**

State parks repair and maintenance .....	\$	2,700,000
State game and wildlife area infrastructure.....		3,350,000
Deer and waterfowl habitat acquisition .....		900,000
GROSS APPROPRIATION .....	\$	<u>6,950,000</u>
Appropriated from:		
Federal revenues:		
Federal funds.....		4,025,000

Special revenue funds:	
Private funds .....	\$ 2,000,000
Game and fish protection - deer habitat.....	135,000
Game and fish protection - waterfowl.....	90,000
Park improvement fund.....	700,000
State general fund/general purpose .....	\$ 0
<b>(2) WATERWAYS BOATING PROGRAM</b>	
Infrastructure improvements - state projects.....	\$ 3,600,000
Infrastructure improvements - local projects .....	1,000,000
Boating program, state boating access sites:	
Selfridge, Macomb County, seawall repairs, stormwater management upgrades, new entrance and parking improvements (total authorized cost \$1,800,000; federal share \$1,350,000; state share \$450,000) .....	1,800,000
Union Lake, Oakland County, replacement site development including new entrance, parking, launch ramp, maneuver area, and vault toilet facility (total authorized cost \$1,000,000; federal share \$750,000; state share \$250,000) .....	1,000,000
Multiple locations, new site development and redevelopment (total authorized cost \$1,800,000; federal share \$1,350,000; state share \$450,000) .....	1,800,000
Naubinway, Mackinac County, breakwater protection, dredging and engineering, phase II (total authorized cost is increased from \$210,000 to \$1,800,000; state share is increased from \$210,000 to \$1,710,000; local share is increased from \$0 to \$90,000).....	1,500,000
East Jordan, Charlevoix County, dock demolition and rehabilitation, grading and shoreline protection, concrete walkways, utility upgrades, lighting and landscaping (total authorized cost \$2,058,000; state share \$514,400; local share \$1,543,600) .....	514,400
South Haven, Van Buren County, harbormaster building demolition and replacement (total authorized cost \$1,628,400; state share \$814,200; local share \$814,200).....	814,200
GROSS APPROPRIATION .....	\$ 12,028,600
Appropriated from:	
Federal revenues:	
Federal funds.....	5,050,000
Special revenue funds:	
Michigan state waterways fund .....	6,978,600
State general fund/general purpose .....	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2010-2011 is \$440,322,200.00 and state spending from state resources to be paid to local units of government for fiscal year 2010-2011 is \$9,491,600.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

**DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENT**

**GRANTS**

Grants to counties - marine safety .....	\$ 1,980,000
Off-road vehicle safety training grants.....	149,900
Off-road vehicle trail improvement grants .....	450,000
Recreation improvement fund grants.....	110,000
Snowmobile law enforcement grants .....	673,100
Noncommunity water grants.....	1,400,100
Scrap tire grants.....	500,000
Septage waste compliance program.....	399,900

CAPITAL OUTLAY

Waterways boating program .....	\$ 3,828,600
TOTAL.....	\$ 9,491,600

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

Sec. 203. As used in this act:

- (a) "Commission" means the natural resources commission.
- (b) "Department" means the department of natural resources and environment.
- (c) "FTE" means full-time equated.
- (d) "IDG" means interdepartmental grant.
- (e) "IDT" means intradepartmental transfer.
- (f) "MDOT" means the state transportation department.
- (g) "MDSP" means the department of state police.
- (h) "NPDES" means national pollution discharge elimination system.

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

Sec. 205. The department shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Sec. 206. Appropriations of state restricted game and fish protection funds have been made to the following departments and agencies in their respective appropriation acts. The amounts appropriated to these departments and agencies are listed below:

Legislative auditor general.....	\$ 22,000
Attorney general.....	827,500
Department of technology, management, and budget .....	283,200
Department of treasury.....	1,787,900

Sec. 207. Pursuant to section 43703(3) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.43703, there is appropriated from the game and fish protection trust fund to the game and fish protection account of the Michigan conservation and recreation legacy fund, \$6,000,000.00 for the fiscal year ending September 30, 2011.

Sec. 208. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of technology, management, and budget for technology-related services and projects. These user fees shall be subject to provisions of an interagency agreement between the department and the department of technology, management, and budget.

Sec. 209. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2011 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Sec. 210. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 211. The director of the department shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 212. The department shall not take disciplinary action against an employee for communicating truthfully and factually with a member of the legislature or his or her staff.

Sec. 213. (1) Funds appropriated in part 1 shall not be used by the department to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(2) As used in this section:

(a) "Rule" means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

(b) "Small business" means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

Sec. 214. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 215. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$33,000,000.00 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 \$1,500,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 216. (1) The department shall report all of the following information relative to allocations made from appropriations for the environmental cleanup and redevelopment program, state cleanup, emergency actions, superfund cleanup, the revitalization revolving loan program, the brownfield grants and loans program, the leaking underground storage tank cleanup program, the contaminated lake and river sediments cleanup program, the refined petroleum

product cleanup program, and the environmental protection bond projects under section 19508(7) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19508, to the state budget director, the senate and house appropriations subcommittees on environmental quality, and the senate and house fiscal agencies:

- (a) The name and location of the site for which an allocation is made.
- (b) The nature of the problem encountered at the site.
- (c) A brief description of how the problem will be resolved if the allocation is made for a response activity.
- (d) The estimated date that site closure activities will be completed.
- (e) The amount of the allocation, or the anticipated financing for the site.
- (f) A summary of the sites and the total amount of funds expended at the sites at the conclusion of the fiscal year.
- (g) The number of sites that would qualify as brownfields that were redeveloped.
- (2) The report prepared under subsection (1) shall also include all of the following:

(a) The status of all state-owned facilities that are on the list compiled under part 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20142.

(b) The report shall include the total amount of funds expended during the fiscal year and the total amount of funds awaiting expenditure.

(c) The total amount of bonds issued for the environmental protection bond program pursuant to part 193 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19301 to 324.19306, and bonds issued pursuant to the clean Michigan initiative act, 1998 PA 284, MCL 324.95101 to 324.95108.

- (3) The report shall be made available by March 31 of each year.

Sec. 217. (1) The department is authorized to expend amounts remaining from the current and prior fiscal year appropriations to meet funding needs of legislatively approved sites for the environmental cleanup and redevelopment program, the leaking underground storage tank cleanup program, and the refined petroleum product cleanup program.

(2) Unexpended and unencumbered amounts remaining from appropriations from the environmental protection bond fund contained in 2003 PA 173 and 2006 PA 343 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(3) Unexpended and unencumbered amounts remaining from appropriations from the cleanup and redevelopment fund contained in 2003 PA 173 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(4) Unexpended and unencumbered amounts remaining from appropriations from the clean Michigan initiative fund - response activities contained in 2000 PA 506, 2001 PA 120, 2003 PA 173, 2003 PA 237, 2004 PA 309, 2004 PA 350, 2005 PA 11, 2006 PA 343, and 2007 PA 121 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(5) Unexpended and unencumbered amounts remaining from appropriations from the environmental protection fund contained in 2001 PA 43, 2002 PA 520, and 2003 PA 171 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(6) Unexpended and unencumbered amounts remaining from appropriations from the refined petroleum fund activities contained in 2005 PA 154, 2007 PA 121, 2008 PA 247, and 2009 PA 118 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

Sec. 218. Any permit application that has been submitted to and pending with the department for a period of 2 years or more shall be considered administratively complete effective January 1, 2011.

Sec. 219. Unexpended settlement revenues at the end of the fiscal year may be carried forward into the settlement fund in the succeeding fiscal year up to a maximum carryforward of \$2,500,000.00.

Sec. 221. It is the intent of the legislature that, in fiscal years subsequent to the one ending September 30, 2011, revenue from the refined petroleum fund shall be used solely for purposes directly related to leaking underground storage tanks, as it was originally intended.

Sec. 222. (1) Within 14 days after the release of the executive budget recommendation, the department shall provide the state budget director, the senate and house appropriations subcommittees on environmental quality and natural resources, respectively, and the senate and house fiscal agencies with an annual report on estimated restricted fund balances, projected revenues, and expenditures for the fiscal years ending September 30, 2010 and September 30, 2011.

(2) Estimates of restricted fund revenues for the fiscal year ending September 30, 2011 shall be reissued on or before September 30, 2010. These revised revenue estimates shall form the basis for determinations of the number of funded positions authorized in this act.

(3) Part 1 of this act provides authorizations to fund 3,672.5 FTE classified positions during the fiscal year ending September 30, 2011. Line-item appropriations include limitations on the number of payroll hours to be funded, on the basis of 2,088 hours per each FTE position. The department shall report the number of funded FTE positions within 15 days after the effective date of this act. The number of classified employees compensated through each line item is limited by the authorized FTE positions indicated in this act, as adjusted for the number of reported funded FTE positions. The report shall be provided to the house and senate appropriations subcommittees on environmental quality and natural resources, respectively, and the house and senate fiscal agencies.

Sec. 223. Before January 31, 2011, the department, in cooperation with the Michigan state waterways commission, shall provide to the state budget director, the senate and house appropriations subcommittees on natural resources, and the senate and house fiscal agencies a list of projects completed by the commission in fiscal year 2009-2010, including the county and municipality in which each project is located.

Sec. 225. The department shall not approve the travel of more than 1 departmental employee to a specific professional development conference or training seminar that is located outside of this state unless the professional development conference or training seminar is funded by a federal or private funding source and requires more than 1 person from the department to attend, or the conference or training seminar includes multiple issues in which 1 employee from the department does not have expertise. This section does not apply to meetings or to the purchase of excess federal equipment.

Sec. 233. (1) On a quarterly basis, the department shall report on the number of FTEs in pay status by civil service classification to the senate and house appropriations subcommittees on natural resources and environment and the senate and house fiscal agencies.

(2) From the funds appropriated in part 1, the department shall develop, post, and maintain on a user-friendly and publicly accessible Internet website all expenditures made by the department within a fiscal year. The posting must include the purpose for which each expenditure is made. Funds appropriated in part 1 from the federal American recovery and reinvestment act shall also be included on a publicly accessible website maintained by the Michigan economic recovery office. The department shall not provide financial information on its website under this section if doing so would violate a federal or state law, rule, regulation, or guideline that establishes private or security standards applicable to that section.

Sec. 234. The department shall not expend more than \$10,000.00 from the appropriations in part 1 to implement the requirements of section 233.

## **EXECUTIVE OPERATIONS AND DEPARTMENT SUPPORT**

Sec. 301. The department may charge the appropriations contained in part 1, including all special maintenance and capital projects appropriated for the fiscal year ending September 30, 2011, for engineering services provided, a standard percentage fee to recover actual costs. The department may use the revenue derived to support the engineering services charges provided for in part 1.

Sec. 302. The department may charge land acquisition projects appropriated for the fiscal year ending September 30, 2011, and for prior fiscal years, a standard percentage fee to recover actual costs, and may use the revenue derived to support the land acquisition service charges provided for in part 1.

Sec. 303. As appropriated in part 1, the department may charge both application fees and transaction fees related to the exchange or sale of state-owned land or rights in land authorized by part 21 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2101 to 324.2162. The fees shall be set by the director of the department at a rate which allows the department to recover its costs for providing these services.

Sec. 304. For the purposes of administering the museum store as provided in section 7a of 1913 PA 271, MCL 399.7a, the department is exempt from section 261 of the management and budget act, 1984 PA 431, MCL 18.1261.

Sec. 305. As appropriated in part 1, proceeds in excess of costs incurred in the conduct of auctions, sales, or transfers of artifacts no longer considered suitable for the collections of the state historical museum may be expended upon receipt for additional material for the collection. The department shall notify the chairpersons, vice chairpersons, and minority vice chairpersons of the senate and house appropriations subcommittees on natural resources 1 week prior to any auctions or sales. Any unexpended funds may be carried forward into the next succeeding fiscal year.

Sec. 306. As appropriated in part 1, funds collected by the department for historical markers; document reproduction and services; conferences, admissions, workshops, and training classes; and the use of specialized equipment, facilities, exhibits, collections, and software shall be used for expenses necessary to provide the required services. The department may charge fees for the aforementioned services, including admission fees. As a condition of the expenditure of revenue from admission fees to the Michigan historical museum, admission to the museum shall be free for children under 18 years of age. The department may accept voluntary admissions contributions of \$2.00 for children under 18 years of age. Any unexpended funds may be carried forward into the next succeeding fiscal year.

Sec. 307. From the funds appropriated in part 1 for communications, \$22,500.00 shall be allocated to support the operations of the Michigan freedom trail commission as specified in section 4 of the Michigan freedom trail commission act, 1998 PA 409, MCL 399.84. These funds shall be used to reimburse commission members, to pay for necessary contractual services of the commission, and to hire not more than 1.0 FTE position in the Michigan historical center to support commission operations.

Sec. 308. Within 21 days after the end of the fiscal year ending September 30, 2011, the department shall submit to the senate and house appropriations subcommittees on natural resources a report on all land transactions approved by the commission in the previous fiscal year. For each land transaction, the report shall include the size of the parcel, the county and municipality in which the parcel is located, the dollar amount of the transaction, the fund source affected by the transaction, and whether the transaction is by purchase, public auction, transfer, exchange, or conveyance.

## **REMEDIATION DIVISION**

Sec. 401. Revenues remaining in the interdepartmental transfers, laboratory services at the end of the fiscal year shall carry forward into the succeeding fiscal year.

Sec. 402. The unexpended funds appropriated in part 1 for emergency cleanup actions and the refined petroleum product cleanup program are considered work project appropriations and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the projects to be carried forward is to provide contaminated site cleanup.
- (b) The projects will be accomplished by contract.
- (c) The total estimated cost of all projects is identified in each line-item appropriation.
- (d) The tentative completion date is September 30, 2015.

Sec. 403. Effective October 1, 2010, surplus funds not to exceed \$1,000,000.00 in the cleanup and redevelopment trust fund are hereby appropriated to the environmental protection fund.

Sec. 404. Effective October 1, 2010, surplus funds not to exceed \$1,000,000.00 in the community pollution prevention fund are hereby appropriated to the environmental protection fund.

Sec. 405. It is the intent of the legislature to repay the refined petroleum fund for the \$70,000,000.00 that was transferred to the environmental protection fund as part of the resolution for the fiscal year 2006-2007 budget.

Sec. 406. The department shall not expend funds appropriated in part 1 if using operational memoranda or other similar documents that are in draft form to impose regulations on individuals or businesses conducting environmental cleanup projects, except as provided in part 213 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.21301 to 324.21331, or when there is written consent between the department and the individual or business.

Sec. 407. Effective October 1, 2010, surplus funds not to exceed \$2,000,000.00 in the solid waste management fund perpetual care account are appropriated to the solid waste management fund staff account.

Sec. 408. The funds appropriated in part 1 for the refined petroleum product cleanup program shall be used to fund cleanup activities on the following sites:

<b>Site Name</b>	<b>County</b>
Paragon Metal Works/Mikado Total	Alcona
Laughing Whitefish Trading Post	Alger
Midway Resort Inc.	Alger
Fennville Feed Supply	Allegan
Country Party Store	Alpena

Butch's Tackle & Marine	Antrim
Pickup Capital of the North	Antrim
Res. Wells Torch Lake Twp.	Antrim
Phil's Bank Union 76	Bay
Lone Pine Party Store	Benzie
Village of Honor Res. Wells	Benzie
Coloma Citgo	Berrien
Frank's Pro Station	Berrien
Randy's Amoco	Berrien
JL Market	Branch
K & H Tire & Alignment	Branch
Baker Oil (E. Michigan)	Calhoun
Logan's Gas & Deli	Calhoun
Indian Lake Mini Super	Cass
Riggs Corner Store	Cass
J.J.'s General Store	Charlevoix
Northern Oil (former)	Charlevoix
Club Road Property	Cheboygan
Cook Corporation Site	Cheboygan
Hostettlers Office Supply	Cheboygan
Mr. Mug's Donut Shop	Chippewa
Park Shell Service	Chippewa
Ackels Car Care	Clinton
State Road Service	Clinton
D&L Fuels	Eaton
Action Auto #10	Genesee
Central Distributing	Genesee
City of Flint Fire Department	Genesee
Fisherman's Landing	Genesee
Sunshine Foods #119 Burton	Genesee
Winegar's Trading Post	Gladwin
4 Corners Site	Grand Traverse
GJ's Party Store	Grand Traverse
Molly's Bye Golly	Grand Traverse
OCT Oil	Grand Traverse
Universal Car Wash II	Grand Traverse
Venture Investments	Grand Traverse
Vlack Hardware (former)	Grand Traverse
Woodland Shop and Go #175	Grand Traverse
KD's Country Store	Gratiot
Pat's Service	Gratiot
Wilson's Grocery	Gratiot
Former Union 76	Hillsdale
North Adams Convenience Store	Hillsdale
Al's Market Port Austin	Huron
Fresh-Up Car Wash	Ingham
Bublitz Oil Full Service Oscoda	Iosco
Firstbank-Winn Branch	Isabella
Bud's Auto Repair	Kalamazoo
Moore's Milwood Service	Kalamazoo
Warner Transport	Kalamazoo
Davis Country Corners	Kalkaska
Starvation Lake General Store	Kalkaska
Taffletown Tavern	Kalkaska
Former Clark #476	Kent
Kountry Korner	Kent
Riverview, N Park, Hubbard St	Kent
Third Base Inc.	Kent
Bass Lake Store	Lake
Chase General Store	Lake
EJ Green	Lapeer

Schaudt's Service Station	Lapeer
Rich's Amoco	Leelanau
Lakeland Montessori School	Livingston
Leon Bonner Property	Livingston
The Pit	Livingston
Bob's Standard Service	Luce
Action Auto (former)	Macomb
Joe & Son's Service	Marquette
Altona Christian Books	Mecosta
P.T. Plus - Former Sinclair Bulk Storage	Mecosta
Rinkey's Store	Missaukee
Joey's Service	Montmorency
Mary D's Restaurant	Montmorency
Pointe Bait	Montmorency
Sports Center, Inc.	Montmorency
Strolle Oil	Montmorency
Wyson's General Store	Montmorency
Bennett Pump	Muskegon
Mike's Sunoco	Newaygo
Wesco #14/Triangle Market	Newaygo
Dandy Oil Clarkston	Oakland
Emma Milner Property, Waterford	Oakland
Jenny Enterprises/Wine Basket, Highland	Oakland
Little Caesar's Pizza, Ortonville	Oakland
Wayne Oakland Oil Company	Oakland
Franklin Forge	Ogemaw
Rose City Feed & Tack	Ogemaw
Lowings Auto	Osceola
Neal's Service	Osceola
Ralph's Marathon	Osceola
Don's Marathon	Oscoda
Family Bookshelf	Oscoda
West Otsego Lake Grocery	Otsego
Alice's Restaurant	Presque Isle
Radio Tavern	Presque Isle
Rogers City Area Senior Center	Presque Isle
Big Mac's Market	Roscommon
Charlie's Place	Roscommon
Chapin General Store	Saginaw
Marvin McCray	Saginaw
Decker Service	St. Joseph
Payless SuperAmerica	St. Joseph
Save-U Station (former)	Shiawassee
Imlay City Gas & Oil	Tuscola
Pullman Industries	Van Buren
Ruddell Real Estate	Van Buren
A.S.E. Inc. DBA S & S Shell	Washtenaw
Evellyn Gibbons	Washtenaw
Michigan Center Inc.	Washtenaw
Cal's Car Care, Inc.	Wayne
Jack's Resort	Wexford

**WILDLIFE DIVISION**

Sec. 501. From the funds appropriated in part 1, the department shall submit annual reports to the state budget director, the senate and house appropriations subcommittees on natural resources, and the senate and house fiscal agencies that provide detail about enforcement actions taken to eradicate bovine tuberculosis, the number of infected deer found, new science it is working on to detect bovine tuberculosis, and other relevant information about the department's efforts to address the presence of bovine tuberculosis in this state.

Sec. 502. It is the intent of the legislature that, from the funds appropriated in part 1, the department shall reimburse the department of agriculture for costs incurred for indemnification payments for livestock losses caused by wolves, coyotes, or cougars under the animal industry act, 1988 PA 466, MCL 287.701 to 287.746.

### **FISHERIES DIVISION**

Sec. 601. (1) From the appropriation in part 1 for aquatic resource mitigation, not more than \$758,000.00 shall be allocated for grants to watershed councils, resource development councils, soil conservation districts, local governmental units, and other nonprofit organizations for stream habitat stabilization and soil erosion control.

(2) The fisheries division in the department shall develop priority and cost estimates for all recommended projects.

### **WATER RESOURCES DIVISION**

Sec. 651. From the funds appropriated in part 1 for surface water, \$100,000.00 shall be allocated to support 1 additional FTE position or partial FTE position for the aquatic nuisance control program for the fiscal year ending September 30, 2011. This FTE position shall be in addition to the number of FTE positions that were funded in the fiscal year ending September 30, 2010. The department shall report to the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies by September 30, 2011 on the use of this funding and the number of permit applications processed by the program in 2011.

Sec. 652. The department shall fund a groundwater dispute resolution process with funds provided in part 1 in such a manner that maintains a strategically selected dispute resolution process given funds available. The department may utilize any and all available resources in providing this process and shall report to the legislature on the need for additional funds.

### **RECREATION DIVISION**

Sec. 701. Pursuant to section 1902(2) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.1902, there is appropriated from the Michigan natural resources trust fund to the Michigan state parks endowment fund an amount not to exceed \$10,000,000.00 for the fiscal year ending September 30, 2011.

Sec. 702. The department shall notify the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies if it intends to reduce operations or reduce recreation opportunities in any state park or recreation area.

Sec. 703. The department shall not alter or halt operations of the ski hill or demolish buildings related to the ski hill, the assistant manager residence, the 3-unit apartment building, or the carpenter's shop and garage in Porcupine Mountains Wilderness State Park. The department shall collaborate with travel Michigan for the marketing and promotion of the ski hill.

### **FOREST MANAGEMENT DIVISION**

Sec. 801. In addition to the funds appropriated in part 1, \$350,000.00 is appropriated to the department to cover costs related to any declared emergency involving the collapse of any abandoned mine shaft located on state land. This appropriation shall not be expended unless the state budget director recommends the expenditure and the department notifies the house and senate committees on appropriations.

Sec. 802. Of the funds appropriated in part 1, the department shall, subject to the forest certification process, prescribe treatment on 63,000 acres, prepare appropriate treatment for not less than 58,000 acres at the current average rate of 12.5 to 15 cords per acre, and offer those cords for sale in 2011, provided that the department shall take into consideration the impact of timber harvesting on wildlife habitat and recreation uses. The department shall, subject to the forest certification process, increase marking or treatment of hardwood timber for sale and harvest by 10% over

2010 levels. In addition, the department shall take into consideration silvicultural analysis and report annually to the legislature on plans and efforts to address factors limiting management of timber. The department shall increase the number of prepared acres if it appears that regional market demand requires increased volumes of harvested timber. The department shall provide quarterly reports on the number of acres treated, pursuant to this section, to the senate and house appropriations subcommittees on natural resources and the standing committees of the senate and house of representatives with primary responsibility for natural resources issues. The department shall complete and deliver these reports no later than 45 days after the end of the fiscal quarter.

Sec. 803. In addition to the money appropriated in this act, the department may receive and expend money from federal sources for the purpose of providing response to wildfires as required by a compact with the federal government. If additional expenditure authorization is required, the department shall notify the state budget office that expenditure under this section is required. The department shall notify the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies of the expenditures under this section by November 1, 2011.

Sec. 804. The department shall continue to work cooperatively with horseback riding interests to maximize riding opportunities in the state.

Sec. 805. The department shall spend amounts appropriated in part 1 for forest-related activities to employ or contract for sufficient foresters to mark timber, pursuant to section 802.

Sec. 807. The director of the department shall meet semiannually in a public forum with timber industry representatives including, but not limited to, loggers, mills, pulp and paper, and bioenergy sectors to discuss strategic issues of the timber industry. The dates of these meetings shall be posted on the department website not less than 30 days in advance.

Sec. 808. The department shall develop a strategic plan to incorporate selected state forest campgrounds into the state park system as mini-state parks in order to qualify them for funding from the state recreation passport program. The department shall use both currently open and closed campgrounds in this strategic plan. In order to fully develop this program and to test its viability throughout the state, the department shall first design and implement a pilot program that includes 6 forest campgrounds selected on a broad geographical basis from those forest campgrounds closed by Executive Order No. 2009-22. In making the selection for the pilot program, the department shall select 3 forest campgrounds from the Upper Peninsula and 3 from the Lower Peninsula. The department shall report to the house and senate appropriations subcommittees on natural resources by March 1, 2011 on the design of the pilot program prior to implementation.

## **LAW ENFORCEMENT**

Sec. 901. The appropriation in part 1 for snowmobile law enforcement grants shall be used by the department to provide grants to county law enforcement agencies to enforce part 821 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.82101 to 324.82160, including rules promulgated under that part and ordinances enacted pursuant to that part. The department shall consider the number of enforcement hours and the number of miles of snowmobile trails in each county in allocating these grants. Any funds not distributed to counties revert back to the snowmobile registration fee subaccount created under section 82111 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.82111. Counties shall provide semiannual reports to the department on the use of grant money received under this section.

## **GRANTS**

Sec. 1001. If a certified health department does not exist in a city, county, or district or does not fulfill its responsibilities under part 117 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11701 to 324.11720, then the department may spend funds appropriated in part 1 under the septage waste compliance program in accordance with section 11716 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11716.

Sec. 1002. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 for grants to communities - federal oil, gas, and timber payments and that do not require additional state matching funds are appropriated for the purposes intended. By November 30, 2010, the department

shall report to the senate and house appropriations subcommittees on natural resources, the senate and house fiscal agencies, and the state budget director on all amounts appropriated under this section during the fiscal year ending September 30, 2010.

Sec. 1003. Subject to part 811 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.81101 to 324.81150, from the funds appropriated in part 1 for off-road vehicle trail improvements grants, not less than \$980,000.00 shall be spent on the development of new trails in accordance with the off-road vehicle trail expansion plan submitted to the legislature pursuant to section 807 of article 14 of 2005 PA 154.

**CAPITAL OUTLAY**

Sec. 1101. The appropriation made in this act for the harbors and docks program is for the purpose of participating with the federal government and assisting political entities and subdivisions of this state in the construction and improvement of recreational boating facilities within this state. Subject to the approval of the state administrative board, this money shall be allocated by the department to the federal government, or to the political entities or local units of government involved in the particular projects. An allocation shall not exceed the state portion as listed with each project description. The department shall take the steps necessary to match federal money available for the construction and improvement of recreational boating facilities within the state, and to meet requirements of the federal government.

Sec. 1102. (1) The director of the department shall allocate lump-sum appropriations to the department made in this act consistent with statutory provisions and the purposes for which funds were appropriated. Lump-sum allocations shall address priority program or facility needs and may include, but are not limited to, design, construction, remodeling and addition, special maintenance, major special maintenance, energy conservation, and demolition.

(2) The state budget director may authorize that funds appropriated for lump-sum appropriations shall be available for no more than 3 fiscal years following the fiscal year in which the original appropriation was made. Any remaining balance from allocations made in this section shall lapse to the fund from which it was appropriated pursuant to the lapsing of funds as provided in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 1103. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with the provisions of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

This act is ordered to take immediate effect.

*Carol Morey Viventi*

Secretary of the Senate

*Richard J. Brown*

Clerk of the House of Representatives

Approved .....

.....  
Governor

**SCHOOL AID**



Act No. 110  
Public Acts of 2010  
Approved by the Governor\*  
July 7, 2010  
Filed with the Secretary of State  
July 8, 2010  
EFFECTIVE DATE: July 8, 2010

\*Item Vetoes

**Sec. 20. (25)**

Entire Subsection. (Page 17)

**Sec. 20j.**

Entire Section. (Page 19)

**Sec. 22e. (6)**

Entire Subsection. (Page 23)

**Sec. 32c.**

Entire Section. (Page 29)

**Sec. 92.**

Entire Section. (Page 42)

**Sec. 99p.**

Entire Section. (Page 47-48)



**STATE OF MICHIGAN  
95TH LEGISLATURE  
REGULAR SESSION OF 2010**

Introduced by Senator Jelinek

# ENROLLED SENATE BILL No. 1163

AN ACT to amend 1979 PA 94, entitled “An act to make appropriations to aid in the support of the public schools and the intermediate school districts of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to supplement the school aid fund by the levy and collection of certain taxes; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts,” by amending sections 3, 6, 11, 11a, 11d, 11g, 11j, 11k, 11m, 15, 18, 19, 20, 20d, 20j, 22a, 22b, 22d, 22e, 24, 24a, 24c, 26a, 26b, 29, 31a, 31d, 31f, 32b, 32c, 32d, 32j, 32l, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 64, 65, 74, 81, 94a, 98, 99, 99i, 99p, 101, 104, 107, 147, 166b, and 166c (MCL 388.1603, 388.1606, 388.1611, 388.1611a, 388.1611d, 388.1611g, 388.1611j, 388.1611k, 388.1611m, 388.1615, 388.1618, 388.1619, 388.1620, 388.1620d, 388.1620j, 388.1622a, 388.1622b, 388.1622d, 388.1622e, 388.1624, 388.1624a, 388.1624c, 388.1626a, 388.1626b, 388.1629, 388.1631a, 388.1631d, 388.1631f, 388.1632b, 388.1632c, 388.1632d, 388.1632j, 388.1632l, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1664, 388.1665, 388.1674, 388.1681, 388.1694a, 388.1698, 388.1699, 388.1699i, 388.1699p, 388.1701, 388.1704, 388.1707, 388.1747, 388.1766b, and 388.1766c), sections 3, 11a, 11g, 11j, 11k, 11m, 15, 18, 19, 20, 20d, 22a, 22b, 22d, 22e, 24, 24a, 24c, 26a, 26b, 29, 31a, 31d, 31f, 32b, 32d, 32j, 32l, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 64, 65, 74, 81, 98, 99, 99i, 104, 107, and 147 as amended and section 11d as added by 2009 PA 121, sections 6, 11, 94a, and 101 as amended and section 166c as added by 2009 PA 203, section 20j as amended by 2008 PA 561, sections 32c and 99p as amended by 2008 PA 268, and section 166b as amended by 2008 PA 219, and by adding sections 92 and 166d; and to repeal acts and parts of acts.

*The People of the State of Michigan enact:*

Sec. 3. (1) “Average daily attendance”, for the purposes of complying with federal law, means 92% of the pupils counted in membership on the pupil membership count day, as defined in section 6(7).

(2) “Board” means the governing body of a district or public school academy.

(3) “Center” means the center for educational performance and information created in section 94a.

(4) “Cooperative education program” means a written voluntary agreement between and among districts to provide certain educational programs for pupils in certain groups of districts. The written agreement shall be approved by all affected districts at least annually and shall specify the educational programs to be provided and the estimated number of pupils from each district who will participate in the educational programs.

(5) “Department”, except in section 107, means the department of education.

(6) “District” means a local school district established under the revised school code or, except in sections 6(4), 6(6), 13, 20, 22a, 23, 29, 31a, 51a(15), 105, 105c, and 166b, a public school academy. Except in sections 6(4), 6(6), 13, 20, 22a, 29, 51a(15), 105, 105c, and 166b, district also includes a university school.

(7) “District of residence”, except as otherwise provided in this subsection, means the district in which a pupil’s custodial parent or parents or legal guardian resides. For a pupil described in section 24b, the pupil’s district of residence is the district in which the pupil enrolls under that section. For a pupil described in section 6(4)(d), the pupil’s district of residence shall be considered to be the district or intermediate district in which the pupil is counted in membership under that section. For a pupil under court jurisdiction who is placed outside the district in which the pupil’s custodial parent or parents or legal guardian resides, the pupil’s district of residence shall be considered to be the educating district or educating intermediate district.

(8) “District superintendent” means the superintendent of a district, the chief administrator of a public school academy, or the chief administrator of a university school.

Sec. 6. (1) “Center program” means a program operated by a district or by an intermediate district for special education pupils from several districts in programs for pupils with autism spectrum disorder, pupils with severe cognitive impairment, pupils with moderate cognitive impairment, pupils with severe multiple impairments, pupils with hearing impairment, pupils with visual impairment, and pupils with physical impairment or other health impairment. Programs for pupils with emotional impairment housed in buildings that do not serve regular education pupils also qualify. Unless otherwise approved by the department, a center program either shall serve all constituent districts within an intermediate district or shall serve several districts with less than 50% of the pupils residing in the operating district. In addition, special education center program pupils placed part-time in noncenter programs to comply with the least restrictive environment provisions of section 612 of part B of the individuals with disabilities education act, 20 USC 1412, may be considered center program pupils for pupil accounting purposes for the time scheduled in either a center program or a noncenter program.

(2) “District and high school graduation rate” means the annual completion and pupil dropout rate that is calculated by the center pursuant to nationally recognized standards.

(3) “District and high school graduation report” means a report of the number of pupils, excluding adult participants, in the district for the immediately preceding school year, adjusted for those pupils who have transferred into or out of the district or high school, who leave high school with a diploma or other credential of equal status.

(4) “Membership”, except as otherwise provided in this act, means for a district, public school academy, university school, or intermediate district the sum of the product of .75 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year, plus the product of .25 times the final audited count from the supplemental count day for the immediately preceding school year. All pupil counts used in this subsection are as determined by the department and calculated by adding the number of pupils registered for attendance plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by a subsequent department audit. For the purposes of this section and section 6a, for a school of excellence that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551, and is in compliance with section 553a of the revised school code, MCL 380.553a, a pupil’s participation in the cyber school’s educational program is considered regular daily attendance. The amount of the foundation allowance for a pupil in membership is determined under section 20. In making the calculation of membership, all of the following, as applicable, apply to determining the membership of a district, public school academy, university school, or intermediate district:

(a) Except as otherwise provided in this subsection, and pursuant to subsection (6), a pupil shall be counted in membership in the pupil’s educating district or districts. An individual pupil shall not be counted for more than a total of 1.0 full-time equated membership.

(b) If a pupil is educated in a district other than the pupil’s district of residence, if the pupil is not being educated as part of a cooperative education program, if the pupil’s district of residence does not give the educating district its approval to count the pupil in membership in the educating district, and if the pupil is not covered by an exception specified in subsection (6) to the requirement that the educating district must have the approval of the pupil’s district of residence to count the pupil in membership, the pupil shall not be counted in membership in any district.

(c) A special education pupil educated by the intermediate district shall be counted in membership in the intermediate district.

(d) A pupil placed by a court or state agency in an on-grounds program of a juvenile detention facility, a child caring institution, or a mental health institution, or a pupil funded under section 53a, shall be counted in membership in the district or intermediate district approved by the department to operate the program.

(e) A pupil enrolled in the Michigan schools for the deaf and blind shall be counted in membership in the pupil’s intermediate district of residence.

(f) A pupil enrolled in a career and technical education program supported by a millage levied over an area larger than a single district or in an area vocational-technical education program established pursuant to section 690 of the revised school code, MCL 380.690, shall be counted only in the pupil's district of residence.

(g) A pupil enrolled in a university school shall be counted in membership in the university school.

(h) A pupil enrolled in a public school academy shall be counted in membership in the public school academy.

(i) For a new district, university school, or public school academy beginning its operation after December 31, 1994, membership for the first 2 full or partial fiscal years of operation shall be determined as follows:

(i) If operations begin before the pupil membership count day for the fiscal year, membership is the average number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year and on the supplemental count day for the current school year, as determined by the department and calculated by adding the number of pupils registered for attendance on the pupil membership count day plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by a subsequent department audit, plus the final audited count from the supplemental count day for the current school year, and dividing that sum by 2.

(ii) If operations begin after the pupil membership count day for the fiscal year and not later than the supplemental count day for the fiscal year, membership is the final audited count of the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the supplemental count day for the current school year.

(j) If a district is the authorizing body for a public school academy, then, in the first school year in which pupils are counted in membership on the pupil membership count day in the public school academy, the determination of the district's membership shall exclude from the district's pupil count for the immediately preceding supplemental count day any pupils who are counted in the public school academy on that first pupil membership count day who were also counted in the district on the immediately preceding supplemental count day.

(k) In a district, public school academy, university school, or intermediate district operating an extended school year program approved by the superintendent, a pupil enrolled, but not scheduled to be in regular daily attendance on a pupil membership count day, shall be counted.

(l) Pupils to be counted in membership shall be not less than 5 years of age on December 1 and less than 20 years of age on September 1 of the school year except as follows:

(i) A special education pupil who is enrolled and receiving instruction in a special education program or service approved by the department, who does not have a high school diploma, and who is less than 26 years of age as of September 1 of the current school year shall be counted in membership.

(ii) A pupil who is determined by the department to meet all of the following may be counted in membership:

(A) Is enrolled in a public school academy or an alternative education high school diploma program, that is primarily focused on educating homeless pupils and that is located in a city with a population of more than 750,000.

(B) Had dropped out of school for more than 1 year and has re-entered school.

(C) Is less than 22 years of age as of September 1 of the current school year.

(m) An individual who has obtained a high school diploma shall not be counted in membership. An individual who has obtained a general educational development (G.E.D.) certificate shall not be counted in membership. An individual participating in a job training program funded under former section 107a or a jobs program funded under former section 107b, administered by the Michigan strategic fund or the department of energy, labor, and economic growth, or participating in any successor of either of those 2 programs, shall not be counted in membership.

(n) If a pupil counted in membership in a public school academy is also educated by a district or intermediate district as part of a cooperative education program, the pupil shall be counted in membership only in the public school academy unless a written agreement signed by all parties designates the party or parties in which the pupil shall be counted in membership, and the instructional time scheduled for the pupil in the district or intermediate district shall be included in the full-time equated membership determination under subdivision (q). However, for pupils receiving instruction in both a public school academy and in a district or intermediate district but not as a part of a cooperative education program, the following apply:

(i) If the public school academy provides instruction for at least 1/2 of the class hours specified in subdivision (q), the public school academy shall receive as its prorated share of the full-time equated membership for each of those pupils an amount equal to 1 times the product of the hours of instruction the public school academy provides divided by the number of hours specified in subdivision (q) for full-time equivalency, and the remainder of the full-time membership for each of those pupils shall be allocated to the district or intermediate district providing the remainder of the hours of instruction.

(ii) If the public school academy provides instruction for less than 1/2 of the class hours specified in subdivision (q), the district or intermediate district providing the remainder of the hours of instruction shall receive as its prorated share of the full-time equated membership for each of those pupils an amount equal to 1 times the product of the hours of instruction the district or intermediate district provides divided by the number of hours specified in subdivision (q)

for full-time equivalency, and the remainder of the full-time membership for each of those pupils shall be allocated to the public school academy.

(o) An individual less than 16 years of age as of September 1 of the current school year who is being educated in an alternative education program shall not be counted in membership if there are also adult education participants being educated in the same program or classroom.

(p) The department shall give a uniform interpretation of full-time and part-time memberships.

(q) The number of class hours used to calculate full-time equated memberships shall be consistent with section 101(3). In determining full-time equated memberships for pupils who are enrolled in a postsecondary institution, a pupil shall not be considered to be less than a full-time equated pupil solely because of the effect of his or her postsecondary enrollment, including necessary travel time, on the number of class hours provided by the district to the pupil.

(r) Except as otherwise provided in this subdivision, full-time equated memberships for pupils in kindergarten shall be determined by dividing the number of class hours scheduled and provided per year per kindergarten pupil by a number equal to 1/2 the number used for determining full-time equated memberships for pupils in grades 1 to 12.

(s) For a district, university school, or public school academy that has pupils enrolled in a grade level that was not offered by the district, university school, or public school academy in the immediately preceding school year, the number of pupils enrolled in that grade level to be counted in membership is the average of the number of those pupils enrolled and in regular daily attendance on the pupil membership count day and the supplemental count day of the current school year, as determined by the department. Membership shall be calculated by adding the number of pupils registered for attendance in that grade level on the pupil membership count day plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by subsequent department audit, plus the final audited count from the supplemental count day for the current school year, and dividing that sum by 2.

(t) A pupil enrolled in a cooperative education program may be counted in membership in the pupil's district of residence with the written approval of all parties to the cooperative agreement.

(u) If, as a result of a disciplinary action, a district determines through the district's alternative or disciplinary education program that the best instructional placement for a pupil is in the pupil's home or otherwise apart from the general school population, if that placement is authorized in writing by the district superintendent and district alternative or disciplinary education supervisor, and if the district provides appropriate instruction as described in this subdivision to the pupil at the pupil's home or otherwise apart from the general school population, the district may count the pupil in membership on a pro rata basis, with the proration based on the number of hours of instruction the district actually provides to the pupil divided by the number of hours specified in subdivision (q) for full-time equivalency. For the purposes of this subdivision, a district shall be considered to be providing appropriate instruction if all of the following are met:

(i) The district provides at least 2 nonconsecutive hours of instruction per week to the pupil at the pupil's home or otherwise apart from the general school population under the supervision of a certificated teacher.

(ii) The district provides instructional materials, resources, and supplies, except computers, that are comparable to those otherwise provided in the district's alternative education program.

(iii) Course content is comparable to that in the district's alternative education program.

(iv) Credit earned is awarded to the pupil and placed on the pupil's transcript.

(v) A pupil enrolled in an alternative or disciplinary education program described in section 25 shall be counted in membership in the district or public school academy that is educating the pupil.

(w) If a pupil was enrolled in a public school academy on the pupil membership count day, if the public school academy's contract with its authorizing body is revoked or the public school academy otherwise ceases to operate, and if the pupil enrolls in a district within 45 days after the pupil membership count day, the department shall adjust the district's pupil count for the pupil membership count day to include the pupil in the count.

(x) For a public school academy that has been in operation for at least 2 years and that suspended operations for at least 1 semester and is resuming operations, membership is the sum of the product of .75 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the first pupil membership count day or supplemental count day, whichever is first, occurring after operations resume, plus the product of .25 times the final audited count from the most recent pupil membership count day or supplemental count day that occurred before suspending operations, as determined by the superintendent.

(y) If a district's membership for a particular fiscal year, as otherwise calculated under this subsection, would be less than 1,550 pupils and the district has 4.5 or fewer pupils per square mile, as determined by the department, and, beginning in 2007-2008, if the district does not receive funding under section 22d(2), the district's membership shall be considered to be the membership figure calculated under this subdivision. If a district educates and counts in its membership pupils in grades 9 to 12 who reside in a contiguous district that does not operate grades 9 to 12 and if 1 or both of the affected districts request the department to use the determination allowed under this sentence, the department shall include the square mileage of both districts in determining the number of pupils per square mile for

each of the districts for the purposes of this subdivision. The membership figure calculated under this subdivision is the greater of the following:

(i) The average of the district's membership for the 3-fiscal-year period ending with that fiscal year, calculated by adding the district's actual membership for each of those 3 fiscal years, as otherwise calculated under this subsection, and dividing the sum of those 3 membership figures by 3.

(ii) The district's actual membership for that fiscal year as otherwise calculated under this subsection.

(z) If a public school academy that is not in its first or second year of operation closes at the end of a school year and does not reopen for the next school year, the department shall adjust the membership count of the district in which a former pupil of the public school academy enrolls and is in regular daily attendance for the next school year to ensure that the district receives the same amount of membership aid for the pupil as if the pupil were counted in the district on the supplemental count day of the preceding school year.

(aa) Full-time equated memberships for preprimary-aged special education pupils who are not enrolled in kindergarten but are enrolled in a classroom program under R 340.1754 of the Michigan administrative code shall be determined by dividing the number of class hours scheduled and provided per year by 450. Full-time equated memberships for preprimary-aged special education pupils who are not enrolled in kindergarten but are receiving nonclassroom services under R 340.1755 of the Michigan administrative code shall be determined by dividing the number of hours of service scheduled and provided per year per pupil by 180.

(bb) A pupil of a district that begins its school year after Labor day who is enrolled in an intermediate district program that begins before Labor day shall not be considered to be less than a full-time pupil solely due to instructional time scheduled but not attended by the pupil before Labor day.

(cc) For the first year in which a pupil is counted in membership on the pupil membership count day in a middle college program described in section 64, the membership is the average of the full-time equated membership on the pupil membership count day and on the supplemental count day for the current school year, as determined by the department. If a pupil was counted by the operating district on the immediately preceding supplemental count day, the pupil shall be excluded from the district's immediately preceding supplemental count for purposes of determining the district's membership.

(dd) A district that educates a pupil who attends a United States Olympic education center may count the pupil in membership regardless of whether or not the pupil is a resident of this state.

(ee) A pupil enrolled in a district other than the pupil's district of residence pursuant to section 1148(2) of the revised school code, MCL 380.1148, shall be counted in the educating district.

(5) "Public school academy" means that term as defined in the revised school code.

(6) "Pupil" means a person in membership in a public school. A district must have the approval of the pupil's district of residence to count the pupil in membership, except approval by the pupil's district of residence is not required for any of the following:

(a) A nonpublic part-time pupil enrolled in grades 1 to 12 in accordance with section 166b.

(b) A pupil receiving 1/2 or less of his or her instruction in a district other than the pupil's district of residence.

(c) A pupil enrolled in a public school academy or university school.

(d) A pupil enrolled in a district other than the pupil's district of residence under an intermediate district schools of choice pilot program as described in section 91a or former section 91 if the intermediate district and its constituent districts have been exempted from section 105.

(e) A pupil enrolled in a district other than the pupil's district of residence if the pupil is enrolled in accordance with section 105 or 105c.

(f) A pupil who has made an official written complaint or whose parent or legal guardian has made an official written complaint to law enforcement officials and to school officials of the pupil's district of residence that the pupil has been the victim of a criminal sexual assault or other serious assault, if the official complaint either indicates that the assault occurred at school or that the assault was committed by 1 or more other pupils enrolled in the school the pupil would otherwise attend in the district of residence or by an employee of the district of residence. A person who intentionally makes a false report of a crime to law enforcement officials for the purposes of this subdivision is subject to section 411a of the Michigan penal code, 1931 PA 328, MCL 750.411a, which provides criminal penalties for that conduct. As used in this subdivision:

(i) "At school" means in a classroom, elsewhere on school premises, on a school bus or other school-related vehicle, or at a school-sponsored activity or event whether or not it is held on school premises.

(ii) "Serious assault" means an act that constitutes a felony violation of chapter XI of the Michigan penal code, 1931 PA 328, MCL 750.81 to 750.90g, or that constitutes an assault and infliction of serious or aggravated injury under section 81a of the Michigan penal code, 1931 PA 328, MCL 750.81a.

(g) A pupil whose district of residence changed after the pupil membership count day and before the supplemental count day and who continues to be enrolled on the supplemental count day as a nonresident in the district in which he or she was enrolled as a resident on the pupil membership count day of the same school year.

(h) A pupil enrolled in an alternative education program operated by a district other than his or her district of residence who meets 1 or more of the following:

(i) The pupil has been suspended or expelled from his or her district of residence for any reason, including, but not limited to, a suspension or expulsion under section 1310, 1311, or 1311a of the revised school code, MCL 380.1310, 380.1311, and 380.1311a.

(ii) The pupil had previously dropped out of school.

(iii) The pupil is pregnant or is a parent.

(iv) The pupil has been referred to the program by a court.

(v) The pupil is enrolled in an alternative or disciplinary education program described in section 25.

(i) A pupil enrolled in the Michigan virtual high school, for the pupil's enrollment in the Michigan virtual high school.

(j) A pupil who is the child of a person who works at the district or who is the child of a person who worked at the district as of the time the pupil first enrolled in the district but who no longer works at the district due to a workforce reduction. As used in this subdivision, "child" includes an adopted child, stepchild, or legal ward.

(k) An expelled pupil who has been denied reinstatement by the expelling district and is reinstated by another school board under section 1311 or 1311a of the revised school code, MCL 380.1311 and 380.1311a.

(l) A pupil enrolled in a district other than the pupil's district of residence in a program described in section 64 if the pupil's district of residence and the enrolling district are both constituent districts of the same intermediate district.

(m) A pupil enrolled in a district other than the pupil's district of residence who attends a United States Olympic education center.

(n) A pupil enrolled in a district other than the pupil's district of residence pursuant to section 1148(2) of the revised school code, MCL 380.1148.

(o) A pupil who enrolls in a district other than the pupil's district of residence as a result of the pupil's school not making adequate yearly progress under the no child left behind act of 2001, Public Law 107-110.

However, if a district educates pupils who reside in another district and if the primary instructional site for those pupils is established by the educating district after 2009-2010 and is located within the boundaries of that other district, the educating district must have the approval of that other district to count those pupils in membership.

(7) "Pupil membership count day" of a district or intermediate district means:

(a) Except as provided in subdivision (b), the fourth Wednesday after Labor day each school year or, for a district or building in which school is not in session on that Wednesday due to conditions not within the control of school authorities, with the approval of the superintendent, the immediately following day on which school is in session in the district or building.

(b) For a district or intermediate district maintaining school during the entire school year, the following days:

(i) Fourth Wednesday in July.

(ii) Fourth Wednesday after Labor day.

(iii) Second Wednesday in February.

(iv) Fourth Wednesday in April.

(8) "Pupils in grades K to 12 actually enrolled and in regular daily attendance" means pupils in grades K to 12 in attendance and receiving instruction in all classes for which they are enrolled on the pupil membership count day or the supplemental count day, as applicable. Except as otherwise provided in this subsection, a pupil who is absent from any of the classes in which the pupil is enrolled on the pupil membership count day or supplemental count day and who does not attend each of those classes during the 10 consecutive school days immediately following the pupil membership count day or supplemental count day, except for a pupil who has been excused by the district, shall not be counted as 1.0 full-time equated membership. A pupil who is excused from attendance on the pupil membership count day or supplemental count day and who fails to attend each of the classes in which the pupil is enrolled within 30 calendar days after the pupil membership count day or supplemental count day shall not be counted as 1.0 full-time equated membership. In addition, a pupil who was enrolled and in attendance in a district, intermediate district, or public school academy before the pupil membership count day or supplemental count day of a particular year but was expelled or suspended on the pupil membership count day or supplemental count day shall only be counted as 1.0 full-time equated membership if the pupil resumed attendance in the district, intermediate district, or public school academy within 45 days after the pupil membership count day or supplemental count day of that particular year. Pupils not counted as 1.0 full-time equated membership due to an absence from a class shall be counted as a prorated membership for the classes the pupil

attended. For purposes of this subsection, "class" means a period of time in 1 day when pupils and a certificated teacher or legally qualified substitute teacher are together and instruction is taking place.

(9) "Rule" means a rule promulgated pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(10) "The revised school code" means 1976 PA 451, MCL 380.1 to 380.1852.

(11) "School district of the first class", "first class school district", and "district of the first class" mean a district that had at least 60,000 pupils in membership for the immediately preceding fiscal year.

(12) "School fiscal year" means a fiscal year that commences July 1 and continues through June 30.

(13) "State board" means the state board of education.

(14) "Superintendent", unless the context clearly refers to a district or intermediate district superintendent, means the superintendent of public instruction described in section 3 of article VIII of the state constitution of 1963.

(15) "Supplemental count day" means the day on which the supplemental pupil count is conducted under section 6a.

(16) "Tuition pupil" means a pupil of school age attending school in a district other than the pupil's district of residence for whom tuition may be charged. Tuition pupil does not include a pupil who is a special education pupil or a pupil described in subsection (6)(c) to (o). A pupil's district of residence shall not require a high school tuition pupil, as provided under section 111, to attend another school district after the pupil has been assigned to a school district.

(17) "State school aid fund" means the state school aid fund established in section 11 of article IX of the state constitution of 1963.

(18) "Taxable value" means the taxable value of property as determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

(19) "Textbook" means a book that is selected and approved by the governing board of a district and that contains a presentation of principles of a subject, or that is a literary work relevant to the study of a subject required for the use of classroom pupils, or another type of course material that forms the basis of classroom instruction.

(20) "Total state aid" or "total state school aid" means the total combined amount of all funds due to a district, intermediate district, or other entity under all of the provisions of this act.

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

Sec. 11. (1) For the fiscal year ending September 30, 2010, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of \$10,614,891,500.00 from the state school aid fund and the sum of \$30,206,200.00 from the general fund. For the fiscal year ending September 30, 2010, there is also appropriated the sum of \$450,000,000.00 from the federal funding awarded to this state under title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5, to be used solely for the purpose of funding the primary funding formula calculated under section 20, in accordance with federal law. Subject to subsection (5), for the fiscal year ending September 30, 2011, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of \$10,949,559,200.00 from the state school aid fund and the sum of \$30,206,200.00 from the general fund. For the fiscal year ending September 30, 2011, there is also appropriated the sum of \$184,256,600.00 from the federal funding awarded to this state under title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5, to be used solely for the purpose of funding the primary funding formula calculated under section 20, in accordance with federal law. In addition, all other available federal funds are appropriated each fiscal year for the fiscal year ending September 30, 2010 and for the fiscal year ending September 30, 2011.

(2) The appropriations under this section shall be allocated as provided in this act. Money appropriated under this section from the general fund shall be expended to fund the purposes of this act before the expenditure of money appropriated under this section from the state school aid fund. If the maximum amount appropriated under this section from the state school aid fund for a fiscal year exceeds the amount necessary to fully fund allocations under this act from the state school aid fund, that excess amount shall not be expended in that state fiscal year and shall not lapse to the general fund, but instead shall be deposited into the school aid stabilization fund created in section 11a.

(3) If the maximum amount appropriated under this section from the state school aid fund and the school aid stabilization fund for a fiscal year exceeds the amount available for expenditure from the state school aid fund for that fiscal year, payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, 53a, and 56 shall be made in full. In addition, for districts beginning operations after 1994-95 that qualify for payments under section 22b, payments under section 22b shall be made so that the qualifying districts receive the lesser of an amount equal to the 1994-95 foundation allowance of the district in which the district beginning operations after 1994-95 is located or \$5,500.00. The amount of the payment to be made under section 22b for these qualifying districts shall be as calculated under section 22a, with the balance of the payment under section 22b being subject to the proration otherwise provided under this subsection and subsection (4). If proration is necessary, state payments under each of the other sections of this act from

all state funding sources shall be prorated in the manner prescribed in subsection (4) as necessary to reflect the amount available for expenditure from the state school aid fund for the affected fiscal year. However, if the department of treasury determines that proration will be required under this subsection, or if the department of treasury determines that further proration is required under this subsection after an initial proration has already been made for a fiscal year, the department of treasury shall notify the state budget director, and the state budget director shall notify the legislature at least 30 calendar days or 6 legislative session days, whichever is more, before the department reduces any payments under this act because of the proration. During the 30 calendar day or 6 legislative session day period after that notification by the state budget director, the department shall not reduce any payments under this act because of proration under this subsection. The legislature may prevent proration from occurring by, within the 30 calendar day or 6 legislative session day period after that notification by the state budget director, enacting legislation appropriating additional funds from the general fund, countercyclical budget and economic stabilization fund, state school aid fund balance, or another source to fund the amount of the projected shortfall.

(4) If proration is necessary under subsection (3), the department shall calculate the proration in district and intermediate district payments that is required under subsection (3) as follows:

(a) The department shall calculate the percentage of total state school aid allocated under this act for the affected fiscal year for each of the following:

(i) Districts.

(ii) Intermediate districts.

(iii) Entities other than districts or intermediate districts.

(b) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(i) for districts by reducing payments to districts. This reduction shall be made by calculating an equal dollar amount per pupil as necessary to recover this percentage of the proration amount and reducing each district's total state school aid from state sources, other than payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, and 53a, by that amount.

(c) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(ii) for intermediate districts by reducing payments to intermediate districts. This reduction shall be made by reducing the payments to each intermediate district, other than payments under sections 11f, 11g, 26a, 26b, 51a(2), 51a(12), 53a, and 56, on an equal percentage basis.

(d) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(iii) for entities other than districts and intermediate districts by reducing payments to these entities. This reduction shall be made by reducing the payments to each of these entities, other than payments under sections 11j, 26a, and 26b, on an equal percentage basis.

(5) If the department reports to the chairpersons of the house and senate appropriations subcommittees responsible for this act, to the house and senate fiscal agencies, and to the state budget director that the department has been notified that this state has not been awarded a competitive grant from the federal incentive grant program created under sections 14005 and 14006 of title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5, known as the "race to the top" grant program, then in addition to the appropriation in subsection (1) there is also appropriated from the state school aid fund for 2010-2011 an additional amount not to exceed \$26,167,500.00 and the general fund appropriation in subsection (1) for 2010-2011 is reduced by \$2,363,800.00.

(6) Except for the allocation under section 26a, any general fund allocations under this act that are not expended by the end of the state fiscal year are transferred to the school aid stabilization fund created under section 11a.

Sec. 11a. (1) The school aid stabilization fund is created as a separate account within the state school aid fund established by section 11 of article IX of the state constitution of 1963.

(2) The state treasurer may receive money or other assets from any source for deposit into the school aid stabilization fund. The state treasurer shall deposit into the school aid stabilization fund all of the following:

(a) Unexpended and unencumbered state school aid fund revenue for a fiscal year that remains in the state school aid fund as of the bookclosing for that fiscal year.

(b) Money statutorily dedicated to the school aid stabilization fund.

(c) Money appropriated to the school aid stabilization fund.

(3) Money available in the school aid stabilization fund may not be expended without a specific appropriation from the school aid stabilization fund. Money in the school aid stabilization fund shall be expended only for purposes for which state school aid fund money may be expended.

(4) The state treasurer shall direct the investment of the school aid stabilization fund. The state treasurer shall credit to the school aid stabilization fund interest and earnings from fund investments.

(5) Money in the school aid stabilization fund at the close of a fiscal year shall remain in the school aid stabilization fund and shall not lapse to the unreserved school aid fund balance or the general fund.

(6) If the maximum amount appropriated under section 11 from the state school aid fund for a fiscal year exceeds the amount available for expenditure from the state school aid fund for that fiscal year, there is appropriated from the school aid stabilization fund to the state school aid fund an amount equal to the projected shortfall as determined by the department of treasury, but not to exceed available money in the school aid stabilization fund. If the money in the school aid stabilization fund is insufficient to fully fund an amount equal to the projected shortfall, the state budget director shall notify the legislature as required under section 11(3) and state payments in an amount equal to the remainder of the projected shortfall shall be prorated in the manner provided under section 11(4).

(7) For 2010-2011, there is appropriated from the school aid stabilization fund to the state school aid fund the amount necessary to fully fund the allocations under this act.

Sec. 11d. (1) For 2009-2010 only, the department shall deduct an amount equal to \$154.00 per membership pupil from the total state school aid otherwise allocated under this act to each district, except for money allocated under sections 11g, 22a, 31d, 51a(12), 51c, and 53a. For 2010-2011, the department shall deduct an amount equal to \$154.00 per membership pupil from the total state school aid otherwise allocated under this act to each district, except for money allocated under sections 11g, 22a, 31d, 32d, 51a(12), 51c, and 53a. If a district complies with subsection (2), a district may choose to apply this reduction to funding the district receives under any provision of this act, other than sections 11g, 22a, 31d, 51a(12), 51c, and 53a, and, beginning in 2010-2011, section 32d, even if the reduction chosen by the district results in a program being reduced or discontinued. If a district does not comply with subsection (2), the district shall apply this reduction to available funding under section 22b first, up to the total amount of the reduction, before reducing other funding the district receives under this act, other than sections 11g, 22a, 31d, 51a(12), 51c, and 53a.

(2) Not later than February 1, 2010, a district shall enter into an agreement with the department to develop a service consolidation plan to reduce school operating costs that is in compliance with department guidelines. The department guidelines may identify, but are not limited to, allowable cost-sharing arrangements for the provision of business services and instructional services and the creation of joint operating agreements between and among districts and intermediate districts. The department shall establish guidelines for service consolidation plans under this subsection not later than 60 days after the effective date of this section.

(3) Not later than February 1, 2011, a district shall submit to the department, in the form and manner prescribed by the department, a report on the status of the district's implementation of the service consolidation plan the district submitted under subsection (2).

(4) In addition to developing a service consolidation plan under subsection (2), a district or intermediate district that purchases diesel fuel shall explore possibilities for coordinating regional purchasing of diesel fuel.

Sec. 11g. (1) From the appropriation in section 11, there is allocated for this section an amount not to exceed \$39,000,000.00 for the fiscal year ending September 30, 2011 and for each succeeding fiscal year through the fiscal year ending September 30, 2015, after which these payments will cease. These allocations are for paying the amounts described in subsection (3) to districts and intermediate districts, other than those receiving a lump-sum payment under section 11f(2), that were not plaintiffs in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492 and that, on or before March 2, 1998, submitted to the state treasurer a waiver resolution described in section 11f. The amounts paid under this section represent offers of settlement and compromise of any claim or claims that were or could have been asserted by these districts and intermediate districts, as described in this section.

(2) This section does not create any obligation or liability of this state to any district or intermediate district that does not submit a waiver resolution described in section 11f. This section and any other provision of this act are not intended to admit liability or waive any defense that is or would be available to this state or its agencies, employees, or agents in any litigation or future litigation with a district or intermediate district regarding these claims or potential claims.

(3) The amount paid each fiscal year to each district or intermediate district under this section shall be 1 of the following:

(a) If the district or intermediate district does not borrow money and issue bonds under section 11i, 1/30 of the total amount listed in section 11h for the district or intermediate district through the fiscal year ending September 30, 2013.

(b) If the district or intermediate district borrows money and issues bonds under section 11i, an amount in each fiscal year calculated by the department of treasury that is equal to the debt service amount in that fiscal year on the bonds issued by that district or intermediate district under section 11i and that will result in the total payments made to all districts and intermediate districts in each fiscal year under this section being no more than the amount appropriated under this section in each fiscal year.

(4) The entire amount of each payment under this section each fiscal year shall be paid on May 15 of the applicable fiscal year or on the next business day following that date. If a district or intermediate district borrows money and issues bonds under section 11i, the district or intermediate district shall use funds received under this section to pay

debt service on bonds issued under section 11i. If a district or intermediate district does not borrow money and issue bonds under section 11i, the district or intermediate district shall use funds received under this section only for the following purposes, in the following order of priority:

(a) First, to pay debt service on voter-approved bonds issued by the district or intermediate district before the effective date of this section.

(b) Second, to pay debt service on other limited tax obligations.

(c) Third, for deposit into a sinking fund established by the district or intermediate district under the revised school code.

(5) To the extent payments under this section are used by a district or intermediate district to pay debt service on debt payable from millage revenues, and to the extent permitted by law, the district or intermediate district may make a corresponding reduction in the number of mills levied for debt service.

(6) A district or intermediate district may pledge or assign payments under this section as security for bonds issued under section 11i, but shall not otherwise pledge or assign payments under this section.

Sec. 11j. From the appropriation in section 11, there is allocated an amount not to exceed \$45,134,000.00 for 2010-2011 for payments to the school loan bond redemption fund in the department of treasury on behalf of districts and intermediate districts. Notwithstanding section 11 or any other provision of this act, funds allocated under this section are not subject to proration and shall be paid in full.

Sec. 11k. For 2010-2011, there is appropriated from the general fund to the school loan revolving fund an amount equal to the amount of school bond loans assigned to the Michigan finance authority, not to exceed the total amount of school bond loans held in reserve as long-term assets. As used in this section, "school loan revolving fund" means that fund created in section 16c of the shared credit rating act, 1985 PA 227, MCL 141.1066c.

Sec. 11m. From the appropriations in section 11, there is allocated for 2009-2010 an amount not to exceed \$20,000,000.00 and for 2010-2011 there is allocated an amount not to exceed \$45,000,000.00 for fiscal year cash-flow borrowing costs solely related to the state school aid fund established by section 11 of article IX of the state constitution of 1963.

Sec. 15. (1) If a district or intermediate district fails to receive its proper apportionment, the department, upon satisfactory proof that the district or intermediate district was entitled justly, shall apportion the deficiency in the next apportionment. Subject to subsections (2) and (3), if a district or intermediate district has received more than its proper apportionment, the department, upon satisfactory proof, shall deduct the excess in the next apportionment. Notwithstanding any other provision in this act, state aid overpayments to a district, other than overpayments in payments for special education or special education transportation, may be recovered from any payment made under this act other than a special education or special education transportation payment. State aid overpayments made in special education or special education transportation payments may be recovered from subsequent special education or special education transportation payments.

(2) If the result of an audit conducted by or for the department affects the current fiscal year membership, affected payments shall be adjusted in the current fiscal year. A deduction due to an adjustment made as a result of an audit conducted by or for the department, or as a result of information obtained by the department from the district, an intermediate district, the department of treasury, or the office of auditor general, shall be deducted from the district's apportionments when the adjustment is finalized. At the request of the district and upon the district presenting evidence satisfactory to the department of the hardship, the department may grant up to an additional 4 years for the adjustment if the district would otherwise experience a significant hardship.

(3) If, because of the receipt of new or updated data, the department determines during a fiscal year that the amount paid to a district or intermediate district under this act for a prior fiscal year was incorrect under the law in effect for that year, the department may make the appropriate deduction or payment in the district's or intermediate district's allocation for the fiscal year in which the determination is made. The deduction or payment shall be calculated according to the law in effect in the fiscal year in which the improper amount was paid.

(4) Expenditures made by the department under this act that are caused by the write-off of prior year accruals may be funded by revenue from the write-off of prior year accruals.

(5) In addition to funds appropriated in section 11 for all programs and services, there is appropriated for 2010-2011 for obligations in excess of applicable appropriations an amount equal to the collection of overpayments, but not to exceed amounts available from overpayments.

Sec. 18. (1) Except as provided in another section of this act, each district or other entity shall apply the money received by the district or entity under this act to salaries and other compensation of teachers and other employees, tuition, transportation, lighting, heating, ventilation, water service, the purchase of textbooks which are designated by the board to be used in the schools under the board's charge, other supplies, and any other school operating expenditures

defined in section 7. However, not more than 20% of the total amount received by a district under article 2 or intermediate district under article 8 may be transferred by the board to either the capital projects fund or to the debt retirement fund for debt service. The money shall not be applied or taken for a purpose other than as provided in this section. The department shall determine the reasonableness of expenditures and may withhold from a recipient of funds under this act the apportionment otherwise due upon a violation by the recipient.

(2) Within 30 days after a board adopts its annual operating budget for the following school fiscal year, or after a board adopts a subsequent revision to that budget, the district shall make all of the following available through a link on its website home page, or may make the information available through a link on its intermediate district's website home page, in a form and manner prescribed by the department:

(a) The annual operating budget and subsequent budget revisions.

(b) Using data that have already been collected and submitted to the department, a summary of district expenditures for the most recent fiscal year for which they are available, expressed in the following 2 pie charts:

(i) A chart of personnel expenditures, broken into the following subcategories:

(A) Salaries and wages.

(B) Employee benefit costs, including, but not limited to, medical, dental, vision, life, disability, and long-term care benefits.

(C) Retirement benefit costs.

(D) All other personnel costs.

(ii) A chart of all district expenditures, broken into the following subcategories:

(A) Instruction.

(B) Support services.

(C) Business and administration.

(D) Operations and maintenance.

(c) Links to all of the following:

(i) The current collective bargaining agreement for each bargaining unit.

(ii) Each health care benefits plan, including, but not limited to, medical, dental, vision, disability, long-term care, or any other type of benefits that would constitute health care services, offered to any bargaining unit or employee in the district.

(iii) The audit report of the audit conducted under subsection (4) for the most recent fiscal year for which it is available.

(d) The total salary and a description and cost of each fringe benefit included in the compensation package for the superintendent of the district and for each employee of the district whose salary exceeds \$100,000.00.

(e) The annual amount spent on dues paid to associations.

(f) The annual amount spent on lobbying or lobbying services. As used in this subdivision, "lobbying" means that term as defined in section 5 of 1978 PA 472, MCL 4.415.

(3) For the information required under subsection (2)(a), (2)(b)(i), and (2)(c), an intermediate district shall provide the same information in the same manner as required for a district under subsection (2).

(4) For the purpose of determining the reasonableness of expenditures and whether a violation of this act has occurred, all of the following apply:

(a) The department shall require that each district and intermediate district have an audit of the district's or intermediate district's financial and pupil accounting records conducted at least annually at the expense of the district or intermediate district, as applicable, by a certified public accountant or by the intermediate district superintendent, as may be required by the department, or in the case of a district of the first class by a certified public accountant, the intermediate superintendent, or the auditor general of the city.

(b) If a district operates in a single building with fewer than 700 full-time equated pupils, if the district has stable membership, and if the error rate of the immediately preceding 2 pupil accounting field audits of the district is less than 2%, the district may have a pupil accounting field audit conducted biennially but must continue to have desk audits for each pupil count. The auditor must document compliance with the audit cycle in the pupil auditing manual. As used in this subdivision, "stable membership" means that the district's membership for the current fiscal year varies from the district's membership for the immediately preceding fiscal year by less than 5%.

(c) An intermediate district's annual financial audit shall be accompanied by the intermediate district's pupil accounting procedures report.

(d) A district's or intermediate district's annual financial audit shall include an analysis of the financial and pupil accounting data used as the basis for distribution of state school aid.

(e) The pupil accounting records and reports, audits, and management letters are subject to requirements established in the auditing and accounting manuals approved and published by the department.

(f) Except as otherwise provided in this subsection, a district shall file the annual financial audit reports with the intermediate district not later than 120 days after the end of each school fiscal year and the intermediate district shall forward the annual financial audit reports for its constituent districts and for the intermediate district, and the pupil accounting procedures report for the pupil membership count day and supplemental count day, to the department not later than November 15 of each year.

(g) The annual financial audit reports and pupil accounting procedures reports shall be available to the public in compliance with the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(h) Not later than December 31 of each year, the department shall notify the state budget director and the legislative appropriations subcommittees responsible for review of the school aid budget of districts and intermediate districts that have not filed an annual financial audit and pupil accounting procedures report required under this section for the school year ending in the immediately preceding fiscal year.

(5) By November 15 of each year, each district and intermediate district shall submit to the center, in a manner prescribed by the center, annual comprehensive financial data consistent with accounting manuals and charts of accounts approved and published by the department. For an intermediate district, the report shall also contain the website address where the department can access the report required under section 620 of the revised school code, MCL 380.620. The department shall ensure that the prescribed Michigan public school accounting manual chart of accounts includes standard conventions to distinguish expenditures by allowable fund function and object. The functions shall include at minimum categories for instruction, pupil support, instructional staff support, general administration, school administration, business administration, transportation, facilities operation and maintenance, facilities acquisition, and debt service; and shall include object classifications of salary, benefits, including categories for active employee health expenditures, purchased services, supplies, capital outlay, and other. Districts shall report the required level of detail consistent with the manual as part of the comprehensive annual financial report. The department shall make this information available online to districts and intermediate districts, and shall include per-pupil amounts spent on instruction and instructional support service functions, and indicate how much of those costs were attributable to salaries. Districts and intermediate districts shall include a link on their websites to the website where the department posts this information.

(6) By September 30 of each year, each district and intermediate district shall file with the department the special education actual cost report, known as "SE-4096", on a form and in the manner prescribed by the department.

(7) By October 7 of each year, each district and intermediate district shall file with the center the transportation expenditure report, known as "SE-4094", on a form and in the manner prescribed by the center.

(8) The department shall review its pupil accounting and pupil auditing manuals at least annually and shall periodically update those manuals to reflect changes in this act.

(9) If a district that is a public school academy purchases property using money received under this act, the public school academy shall retain ownership of the property unless the public school academy sells the property at fair market value.

(10) If a district or intermediate district does not comply with subsections (4), (5), (6), and (7), the department shall withhold all state school aid due to the district or intermediate district under this act, beginning with the next payment due to the district or intermediate district, until the district or intermediate district complies with subsections (4), (5), (6), and (7). If the district or intermediate district does not comply with subsections (4), (5), (6), and (7) by the end of the fiscal year, the district or intermediate district forfeits the amount withheld.

Sec. 19. (1) A district or intermediate district shall comply with all applicable reporting requirements specified in state and federal law. Data provided to the center, in a form and manner prescribed by the center, shall be aggregated and disaggregated as required by state and federal law. In addition, a district or intermediate district shall cooperate with all measures taken by the center to comply with the provisions of the American recovery and reinvestment act of 2009, Public Law 111-5, requiring the establishment of a statewide P-20 longitudinal data system.

(2) Each district shall furnish to the center not later than 5 weeks after the pupil membership count day, in a manner prescribed by the center, the information necessary for the preparation of the district and high school graduation report. This information shall meet requirements established in the pupil auditing manual approved and published by the department. The center shall calculate an annual graduation and pupil dropout rate for each high school, each district, and this state, in compliance with nationally recognized standards for these calculations. The center shall report all graduation and dropout rates to the senate and house education committees and appropriations committees, the state budget director, and the department not later than 30 days after the publication of the list described in subsection (6).

(3) By the first business day in December and by June 30 of each year, a district shall furnish to the center, in a manner prescribed by the center, information related to educational personnel as necessary for reporting required by state and federal law.

(4) By June 30 of each year, a district shall furnish to the center, in a manner prescribed by the center, information related to safety practices and criminal incidents as necessary for reporting required by state and federal law.

(5) If a district or intermediate district fails to meet the requirements of this section, the department shall withhold 5% of the total funds for which the district or intermediate district qualifies under this act until the district or intermediate district complies with all of those subsections. If the district or intermediate district does not comply with all of those subsections by the end of the fiscal year, the department shall place the amount withheld in an escrow account until the district or intermediate district complies with all of those subsections.

(6) Before publishing a list of schools or districts determined to have failed to make adequate yearly progress as required by the no child left behind act of 2001, Public Law 107-110, the department shall allow a school or district to appeal that determination. The department shall consider and act upon the appeal within 30 days after it is submitted and shall not publish the list until after all appeals have been considered and decided.

Sec. 20. (1) For 2009-2010 and for 2010-2011, the basic foundation allowance is \$8,489.00.

(2) The amount of each district's foundation allowance shall be calculated as provided in this section, using a basic foundation allowance in the amount specified in subsection (1).

(3) Except as otherwise provided in this section, the amount of a district's foundation allowance shall be calculated as follows, using in all calculations the total amount of the district's foundation allowance as calculated before any proration:

(a) For a district that had a foundation allowance for the immediately preceding state fiscal year that was at least equal to the sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts, but less than the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the difference between twice the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance and [(the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance minus \$20.00) times (the difference between the district's foundation allowance for the immediately preceding state fiscal year and the sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts) divided by the difference between the basic foundation allowance for the current state fiscal year and the sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts]. For 2009-2010 and for 2010-2011, for a district that had a foundation allowance for the immediately preceding state fiscal year that was at least equal to the sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest foundation allowance among all districts, but less than the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the district's foundation allowance for the immediately preceding state fiscal year. However, the foundation allowance for a district that had less than the basic foundation allowance for the immediately preceding state fiscal year shall not exceed the basic foundation allowance for the current state fiscal year.

(b) Except as otherwise provided in this subsection, for a district that in the immediately preceding state fiscal year had a foundation allowance in an amount at least equal to the amount of the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year in the basic foundation allowance.

(c) Except as otherwise provided in subdivision (d), for a district that in the 1994-95 state fiscal year had a foundation allowance greater than \$6,500.00, the district's foundation allowance is an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the lesser of the increase in the basic foundation allowance for the current state fiscal year, as compared to the immediately preceding state fiscal year, or the product of the district's foundation allowance for the immediately preceding state fiscal year times the percentage increase in the United States consumer price index in the calendar year ending in the immediately preceding fiscal year as reported by the May revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b.

(d) If House Bill No. 6212 of the 95th Legislature is enacted into law, then beginning in 2011-2012, for a district that in the 1994-95 state fiscal year had a foundation allowance greater than \$6,500.00 and that had a foundation allowance for the 2009-2010 state fiscal year, as otherwise calculated under this section, that was less than the basic foundation

allowance, the district's foundation allowance for 2011-2012 and each succeeding fiscal year shall be considered to be an amount equal to the basic foundation allowance.

(e) For a district that has a foundation allowance that is not a whole dollar amount, the district's foundation allowance shall be rounded up to the nearest whole dollar.

(f) For a district that received a payment under section 22c as that section was in effect for 2001-2002, the district's 2001-2002 foundation allowance shall be considered to have been an amount equal to the sum of the district's actual 2001-2002 foundation allowance as otherwise calculated under this section plus the per pupil amount of the district's equity payment for 2001-2002 under section 22c as that section was in effect for 2001-2002.

(g) For a district that received a payment under section 22c as that section was in effect for 2006-2007, the district's 2006-2007 foundation allowance shall be considered to have been an amount equal to the sum of the district's actual 2006-2007 foundation allowance as otherwise calculated under this section plus the per pupil amount of the district's equity payment for 2006-2007 under section 22c as that section was in effect for 2006-2007.

(4) Except as otherwise provided in this subsection, the state portion of a district's foundation allowance is an amount equal to the district's foundation allowance or the basic foundation allowance for the current state fiscal year, whichever is less, minus the difference between the sum of the product of the taxable value per membership pupil of all property in the district that is nonexempt property times the district's certified mills and, for a district with certified mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is commercial personal property times the certified mills minus 12 mills and the quotient of the ad valorem property tax revenue of the district captured under tax increment financing acts divided by the district's membership excluding special education pupils. For a district described in subsection (3)(c), the state portion of the district's foundation allowance is an amount equal to \$6,962.00 plus the difference between the district's foundation allowance for the current state fiscal year and the district's foundation allowance for 1998-99, minus the difference between the sum of the product of the taxable value per membership pupil of all property in the district that is nonexempt property times the district's certified mills and, for a district with certified mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is commercial personal property times the certified mills minus 12 mills and the quotient of the ad valorem property tax revenue of the district captured under tax increment financing acts divided by the district's membership excluding special education pupils. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur. For the purposes of state law, federal funding awarded to this state under title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5, that is appropriated under section 11 and allocated under section 22b, is considered to be part of the state portion of a district's foundation allowance and is considered to be part of the total state school aid paid to a public school academy.

(5) The allocation calculated under this section for a pupil shall be based on the foundation allowance of the pupil's district of residence. However, for a pupil enrolled in a district other than the pupil's district of residence, if the foundation allowance of the pupil's district of residence has been adjusted pursuant to subsection (19), the allocation calculated under this section shall not include the adjustment described in subsection (19). For a pupil enrolled pursuant to section 105 or 105c in a district other than the pupil's district of residence, the allocation calculated under this section shall be based on the lesser of the foundation allowance of the pupil's district of residence or the foundation allowance of the educating district. For a pupil in membership in a K-5, K-6, or K-8 district who is enrolled in another district in a grade not offered by the pupil's district of residence, the allocation calculated under this section shall be based on the foundation allowance of the educating district if the educating district's foundation allowance is greater than the foundation allowance of the pupil's district of residence. The calculation under this subsection shall take into account a district's per pupil allocation under section 20j(2).

(6) Subject to subsection (7) and except as otherwise provided in this subsection, for pupils in membership, other than special education pupils, in a public school academy or a university school, the allocation calculated under this section is an amount per membership pupil other than special education pupils in the public school academy or university school equal to the foundation allowance of the district in which the public school academy or university school is located or the state maximum public school academy allocation, whichever is less. However, a public school academy or university school that had an allocation under this subsection before 2009-2010 that was equal to the sum of the local school operating revenue per membership pupil other than special education pupils for the district in which the public school academy or university school is located and the state portion of that district's foundation allowance shall not have that allocation reduced as a result of the 2010 amendment to this subsection. Notwithstanding section 101, for a public school academy that begins operations after the pupil membership count day, the amount per membership pupil calculated under this subsection shall be adjusted by multiplying that amount per membership pupil by the number of hours of pupil instruction provided by the public school academy after it begins operations, as determined by the department, divided by the minimum number of hours of pupil instruction required under section 101(3). The result of this calculation shall not exceed the amount per membership pupil otherwise calculated under this subsection.

(7) If more than 25% of the pupils residing within a district are in membership in 1 or more public school academies located in the district, then the amount per membership pupil calculated under this section for a public school academy

located in the district shall be reduced by an amount equal to the difference between the sum of the product of the taxable value per membership pupil of all property in the district that is nonexempt property times the district's certified mills and, for a district with certified mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is commercial personal property times the certified mills minus 12 mills and the quotient of the ad valorem property tax revenue of the district captured under tax increment financing acts divided by the district's membership excluding special education pupils, in the school fiscal year ending in the current state fiscal year, calculated as if the resident pupils in membership in 1 or more public school academies located in the district were in membership in the district. In order to receive state school aid under this act, a district described in this subsection shall pay to the authorizing body that is the fiscal agent for a public school academy located in the district for forwarding to the public school academy an amount equal to that local school operating revenue per membership pupil for each resident pupil in membership other than special education pupils in the public school academy, as determined by the department.

(8) If a district does not receive an amount calculated under subsection (9); if the number of mills the district may levy on a principal residence, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, and commercial personal property under section 1211 of the revised school code, MCL 380.1211, is 0.5 mills or less; and if the district elects not to levy those mills, the district instead shall receive a separate supplemental amount calculated under this subsection in an amount equal to the amount the district would have received had it levied those mills, as determined by the department of treasury. A district shall not receive a separate supplemental amount calculated under this subsection for a fiscal year unless in the calendar year ending in the fiscal year the district levies the district's certified mills on property that is nonexempt property.

(9) For a district that had combined state and local revenue per membership pupil in the 1993-94 state fiscal year of more than \$6,500.00 and that had fewer than 350 pupils in membership, if the district elects not to reduce the number of mills from which a principal residence, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, and commercial personal property are exempt and not to levy school operating taxes on a principal residence, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, and commercial personal property as provided in section 1211 of the revised school code, MCL 380.1211, and not to levy school operating taxes on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, there is calculated under this subsection for 1994-95 and each succeeding fiscal year a separate supplemental amount in an amount equal to the amount the district would have received per membership pupil had it levied school operating taxes on a principal residence, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, and commercial personal property at the rate authorized for the district under section 1211 of the revised school code, MCL 380.1211, and levied school operating taxes on all property at the rate authorized for the district under section 1211(2) of the revised school code, MCL 380.1211, as determined by the department of treasury. If in the calendar year ending in the fiscal year a district does not levy the district's certified mills on property that is nonexempt property, the amount calculated under this subsection will be reduced by the same percentage as the millage actually levied compares to the district's certified mills.

(10) Subject to subsection (4), for a district that is formed or reconfigured after June 1, 2002 by consolidation of 2 or more districts or by annexation, the resulting district's foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the average of the foundation allowances of each of the original or affected districts, calculated as provided in this section, weighted as to the percentage of pupils in total membership in the resulting district who reside in the geographic area of each of the original or affected districts. The calculation under this subsection shall take into account a district's per pupil allocation under section 20j(2).

(11) Each fraction used in making calculations under this section shall be rounded to the fourth decimal place and the dollar amount of an increase in the basic foundation allowance shall be rounded to the nearest whole dollar.

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

(13) To assist the legislature in determining the basic foundation allowance for the subsequent state fiscal year, each revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b, shall calculate a pupil membership factor, a revenue adjustment factor, and an index as follows:

(a) The pupil membership factor shall be computed by dividing the estimated membership in the school year ending in the current state fiscal year, excluding intermediate district membership, by the estimated membership for the school year ending in the subsequent state fiscal year, excluding intermediate district membership. If a consensus membership factor is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(b) The revenue adjustment factor shall be computed by dividing the sum of the estimated total state school aid fund revenue for the subsequent state fiscal year plus the estimated total state school aid fund revenue for the current state fiscal year, adjusted for any change in the rate or base of a tax the proceeds of which are deposited in that fund and excluding money transferred into that fund from the countercyclical budget and economic stabilization fund under the

management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, by the sum of the estimated total school aid fund revenue for the current state fiscal year plus the estimated total state school aid fund revenue for the immediately preceding state fiscal year, adjusted for any change in the rate or base of a tax the proceeds of which are deposited in that fund. If a consensus revenue factor is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(c) The index shall be calculated by multiplying the pupil membership factor by the revenue adjustment factor. However, for 2009-2010 and for 2010-2011, the index shall be 1.00. If a consensus index is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(14) If the principals at the revenue estimating conference reach a consensus on the index described in subsection (13)(c), the lowest foundation allowance among all districts for the subsequent state fiscal year shall be at least the amount of that consensus index multiplied by the lowest foundation allowance among all districts for the immediately preceding state fiscal year.

(15) If at the January revenue estimating conference it is estimated that pupil membership, excluding intermediate district membership, for the subsequent state fiscal year will be greater than 101% of the pupil membership, excluding intermediate district membership, for the current state fiscal year, then it is the intent of the legislature that the executive budget proposal for the school aid budget for the subsequent state fiscal year include a general fund/general purpose allocation sufficient to support the membership in excess of 101% of the current year pupil membership.

(16) For a district that had combined state and local revenue per membership pupil in the 1993-94 state fiscal year of more than \$6,500.00, that had fewer than 7 pupils in membership in the 1993-94 state fiscal year, that has at least 1 child educated in the district in the current state fiscal year, and that levies the number of mills of school operating taxes authorized for the district under section 1211 of the revised school code, MCL 380.1211, a minimum amount of combined state and local revenue shall be calculated for the district as provided under this subsection. The minimum amount of combined state and local revenue for 1999-2000 shall be \$67,000.00 plus the district's additional expenses to educate pupils in grades 9 to 12 educated in other districts as determined and allowed by the department. The minimum amount of combined state and local revenue under this subsection, before adding the additional expenses, shall increase each fiscal year by the same percentage increase as the percentage increase in the basic foundation allowance from the immediately preceding fiscal year to the current fiscal year. The state portion of the minimum amount of combined state and local revenue under this subsection shall be calculated by subtracting from the minimum amount of combined state and local revenue under this subsection the sum of the district's local school operating revenue and an amount equal to the product of the sum of the state portion of the district's foundation allowance plus the amount calculated under section 20j times the district's membership. As used in this subsection, "additional expenses" means the district's expenses for tuition or fees, not to exceed the basic foundation allowance for the current state fiscal year, plus a room and board stipend not to exceed \$10.00 per school day for each pupil in grades 9 to 12 educated in another district, as approved by the department.

(17) For a district in which 7.75 mills levied in 1992 for school operating purposes in the 1992-93 school year were not renewed in 1993 for school operating purposes in the 1993-94 school year, the district's combined state and local revenue per membership pupil shall be recalculated as if that millage reduction did not occur and the district's foundation allowance shall be calculated as if its 1994-95 foundation allowance had been calculated using that recalculated 1993-94 combined state and local revenue per membership pupil as a base. A district is not entitled to any retroactive payments for fiscal years before 2000-2001 due to this subsection.

(18) For a district in which an industrial facilities exemption certificate that abated taxes on property with a state equalized valuation greater than the total state equalized valuation of the district at the time the certificate was issued or \$700,000,000.00, whichever is greater, was issued under 1974 PA 198, MCL 207.551 to 207.572, before the calculation of the district's 1994-95 foundation allowance, the district's foundation allowance for 2002-2003 is an amount equal to the sum of the district's foundation allowance for 2002-2003, as otherwise calculated under this section, plus \$250.00.

(19) For a district that received a grant under former section 32e for 2001-2002, the district's foundation allowance for 2002-2003 and each succeeding fiscal year shall be adjusted to be an amount equal to the sum of the district's foundation allowance, as otherwise calculated under this section, plus the quotient of 100% of the amount of the grant award to the district for 2001-2002 under former section 32e divided by the number of pupils in the district's membership for 2001-2002 who were residents of and enrolled in the district. Except as otherwise provided in this subsection, a district qualifying for a foundation allowance adjustment under this subsection shall use the funds resulting from this adjustment for at least 1 of grades K to 3 for purposes allowable under former section 32e as in effect for 2001-2002, and may also use these funds for an early intervening program described in subsection (20). For an individual school or schools operated by a district qualifying for a foundation allowance under this subsection that have been determined by the department to meet the adequate yearly progress standards of the federal no child left behind act of 2001, Public Law 107-110, in both mathematics and English language arts at all applicable grade levels for all applicable subgroups,

the district may submit to the department an application for flexibility in using the funds resulting from this adjustment that are attributable to the pupils in the school or schools. The application shall identify the affected school or schools and the affected funds and shall contain a plan for using the funds for specific purposes identified by the district that are designed to reduce class size, but that may be different from the purposes otherwise allowable under this subsection. The department shall approve the application if the department determines that the purposes identified in the plan are reasonably designed to reduce class size. If the department does not act to approve or disapprove an application within 30 days after it is submitted to the department, the application is considered to be approved. If an application for flexibility in using the funds is approved, the district may use the funds identified in the application for any purpose identified in the plan.

(20) An early intervening program that uses funds resulting from the adjustment under subsection (19) shall meet either or both of the following:

(a) Shall monitor individual pupil learning for pupils in grades K to 3 and provide specific support or learning strategies to pupils in grades K to 3 as early as possible in order to reduce the need for special education placement. The program shall include literacy and numeracy supports, sensory motor skill development, behavior supports, instructional consultation for teachers, and the development of a parent/school learning plan. Specific support or learning strategies may include support in or out of the general classroom in areas including reading, writing, math, visual memory, motor skill development, behavior, or language development. These would be provided based on an understanding of the individual child's learning needs.

(b) Shall provide early intervening strategies for pupils in grades K to 3 using schoolwide systems of academic and behavioral supports and shall be scientifically research-based. The strategies to be provided shall include at least pupil performance indicators based upon response to intervention, instructional consultation for teachers, and ongoing progress monitoring. A schoolwide system of academic and behavioral support should be based on a support team available to the classroom teachers. The members of this team could include the principal, special education staff, reading teachers, and other appropriate personnel who would be available to systematically study the needs of the individual child and work with the teacher to match instruction to the needs of the individual child.

(21) For a district that levied 1.9 mills in 1993 to finance an operating deficit, the district's foundation allowance shall be calculated as if those mills were included as operating mills in the calculation of the district's 1994-1995 foundation allowance. A district is not entitled to any retroactive payments for fiscal years before 2006-2007 due to this subsection. A district receiving an adjustment under this subsection shall not receive more than \$800,000.00 for a fiscal year as a result of this adjustment.

(22) For a district that levied 2.23 mills in 1993 to finance an operating deficit, the district's foundation allowance shall be calculated as if those mills were included as operating mills in the calculation of the district's 1994-1995 foundation allowance. A district is not entitled to any retroactive payments for fiscal years before 2006-2007 due to this subsection. A district receiving an adjustment under this subsection shall not receive more than \$500,000.00 for a fiscal year as a result of this adjustment.

(23) Payments to districts, university schools, or public school academies shall not be made under this section. Rather, the calculations under this section shall be used to determine the amount of state payments under section 22b.

(24) If an amendment to section 2 of article VIII of the state constitution of 1963 allowing state aid to some or all nonpublic schools is approved by the voters of this state, each foundation allowance or per pupil payment calculation under this section may be reduced.

(25) If Senate Bill No. 884 of the 95th Legislature is enacted into law not later than September 30, 2010, then the basic foundation allowance under subsection (1) for 2010-2011 is increased by \$10.00 and the \$20.00 amount in subsection (3)(a) and subsection (26)(h) shall be considered to be \$3.00 for that fiscal year, and each district's foundation allowance or public school academy's per pupil allocation calculated under this section for that fiscal year shall be adjusted accordingly. However, if that bill is enacted by that date but the revenue resulting from that enactment for 2010-2011, as determined by the department of treasury, is not sufficient to fully fund the adjustments under this subsection and the payments calculated under section 20j for that fiscal year, then those adjustments and payments for that fiscal year shall be prorated on an equal per pupil basis according to the amount of the revenue that results from that enactment for that fiscal year.

(26) As used in this section:

(a) "Certified mills" means the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94.

(b) "Combined state and local revenue" means the aggregate of the district's state school aid received by or paid on behalf of the district under this section and the district's local school operating revenue.

(c) "Combined state and local revenue per membership pupil" means the district's combined state and local revenue divided by the district's membership excluding special education pupils.

(d) "Current state fiscal year" means the state fiscal year for which a particular calculation is made.

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

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

(g) "Local school operating revenue per membership pupil" means a district's local school operating revenue divided by the district's membership excluding special education pupils.

(h) "Maximum public school academy allocation", except as otherwise provided in this subdivision, means the maximum per-pupil allocation as calculated by adding the highest per-pupil allocation among all public school academies for the immediately preceding state fiscal year plus the difference between twice the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance and [(the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance minus \$20.00) times (the difference between the highest per-pupil allocation among all public school academies for the immediately preceding state fiscal year and the sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest per-pupil allocation among all public school academies) divided by the difference between the basic foundation allowance for the current state fiscal year and the sum of \$7,108.00 plus the total dollar amount of all adjustments made from 2006-2007 to the immediately preceding state fiscal year in the lowest per-pupil allocation among all public school academies]. For 2009-2010 and 2010-2011, maximum public school academy allocation means \$7,580.00.

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

(j) "Nonexempt property" means property that is not a principal residence, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, or commercial personal property.

(k) "Principal residence", "qualified agricultural property", "qualified forest property", "supportive housing property", "industrial personal property", and "commercial personal property" mean those terms as defined in section 1211 of the revised school code, MCL 380.1211.

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

(m) "School operating taxes" means local ad valorem property taxes levied under section 1211 of the revised school code, MCL 380.1211, and retained for school operating purposes.

(n) "Tax increment financing acts" means 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

(o) "Taxable value per membership pupil" means taxable value, as certified by the department of treasury, for the calendar year ending in the current state fiscal year divided by the district's membership excluding special education pupils for the school year ending in the current state fiscal year.

Sec. 20d. In making the final determination required under former section 20a of a district's combined state and local revenue per membership pupil in 1993-94 and in making calculations under section 20 for 2010-2011, the department and the department of treasury shall comply with all of the following:

(a) For a district that had combined state and local revenue per membership pupil in the 1994-95 state fiscal year of \$6,500.00 or more and served as a fiscal agent for a state board designated area vocational education center in the 1993-94 school year, total state school aid received by or paid on behalf of the district pursuant to this act in 1993-94 shall exclude payments made under former section 146 and under section 147 on behalf of the district's employees who provided direct services to the area vocational education center. Not later than June 30, 1996, the department shall make an adjustment under this subdivision to the district's combined state and local revenue per membership pupil in the 1994-95 state fiscal year and the department of treasury shall make a final certification of the number of mills that may be levied by the district under section 1211 of the revised school code, MCL 380.1211, as a result of the adjustment under this subdivision.

(b) If a district had an adjustment made to its 1993-94 total state school aid that excluded payments made under former section 146 and under section 147 on behalf of the district's employees who provided direct services for intermediate district center programs operated by the district under article 5, if nonresident pupils attending the center programs were included in the district's membership for purposes of calculating the combined state and local revenue per membership pupil for 1993-94, and if there is a signed agreement by all constituent districts of the intermediate district that an adjustment under this subdivision shall be made, the foundation allowances for 1995-96 and 1996-97 of all districts that had pupils attending the intermediate district center program operated by the district that had the adjustment shall be calculated as if their combined state and local revenue per membership pupil for 1993-94 included resident pupils attending the center program and excluded nonresident pupils attending the center program.

Sec. 20j. (1) Subject to subsection (5), if Senate Bill No. 884 of the 95th Legislature is enacted into law not later than September 30, 2010, then foundation allowance supplemental payments to districts that in the 1994-95 state fiscal year had a foundation allowance greater than \$6,500.00 shall be calculated under this section for 2010-2011.

(2) Subject to subsection (5), the per pupil allocation to each district under this section for 2010-2011 shall be an amount equal to the product of the difference between the basic foundation allowance for the 1998-99 state fiscal year and \$7,204.00 less \$271.00 minus the dollar amount of the adjustment from the 1998-99 state fiscal year to 2007-2008 in the district's foundation allowance, times 50%.

(3) If a district's local revenue per pupil does not exceed the sum of its foundation allowance under section 20 plus the per pupil allocation under subsection (2), the total payment to the district calculated under this section for 2010-2011 shall be the product of the per pupil allocation under subsection (2) multiplied by the district's membership excluding special education pupils. If a district's local revenue per pupil exceeds the foundation allowance under section 20 but does not exceed the sum of the foundation allowance under section 20 plus the per pupil allocation under subsection (2), the total payment to the district calculated under this section shall be the product of the difference between the sum of the foundation allowance under section 20 plus the per pupil allocation under subsection (2) minus the local revenue per pupil multiplied by the district's membership excluding special education pupils. If a district's local revenue per pupil exceeds the sum of the foundation allowance under section 20 plus the per pupil allocation under subsection (2), there is no payment calculated under this section for the district.

(4) Payments to districts shall not be made under this section. Rather, the calculations under this section shall be made and used to determine the amount of state payments under section 22b.

(5) If Senate Bill No. 884 of the 95th Legislature is enacted into law not later than September 30, 2010 but the revenue resulting from that enactment for 2010-2011, as determined by the department of treasury, is not sufficient to fully fund the payments calculated under this section and the adjustments calculated under section 20(25) for that fiscal year, then those payments and adjustments for that fiscal year shall be prorated on an equal per pupil basis according to the amount of the revenue that results from that enactment for that fiscal year.

Sec. 22a. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$5,785,000,000.00 for 2009-2010 and an amount not to exceed \$5,764,000,000.00 for 2010-2011 for payments to districts, qualifying university schools, and qualifying public school academies to guarantee each district, qualifying university school, and qualifying public school academy an amount equal to its 1994-95 total state and local per pupil revenue for school operating purposes under section 11 of article IX of the state constitution of 1963. Pursuant to section 11 of article IX of the state constitution of 1963, this guarantee does not apply to a district in a year in which the district levies a millage rate for school district operating purposes less than it levied in 1994. However, subsection (2) applies to calculating the payments under this section. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22b and 51c in order to fully fund those calculated allocations for the same fiscal year.

(2) To ensure that a district receives an amount equal to the district's 1994-95 total state and local per pupil revenue for school operating purposes, there is allocated to each district a state portion of the district's 1994-95 foundation allowance in an amount calculated as follows:

(a) Except as otherwise provided in this subsection, the state portion of a district's 1994-95 foundation allowance is an amount equal to the district's 1994-95 foundation allowance or \$6,500.00, whichever is less, minus the difference between the sum of the product of the taxable value per membership pupil of all property in the district that is nonexempt property times the district's certified mills and, for a district with certified mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is commercial personal property times the certified mills minus 12 mills and the quotient of the ad valorem property tax revenue of the district captured under tax increment financing acts divided by the district's membership. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur.

(b) For a district that had a 1994-95 foundation allowance greater than \$6,500.00, the state payment under this subsection shall be the sum of the amount calculated under subdivision (a) plus the amount calculated under this subdivision. The amount calculated under this subdivision shall be equal to the difference between the district's 1994-95 foundation allowance minus \$6,500.00 and the current year hold harmless school operating taxes per pupil. If the result of the calculation under subdivision (a) is negative, the negative amount shall be an offset against any state payment calculated under this subdivision. If the result of a calculation under this subdivision is negative, there shall not be a state payment or a deduction under this subdivision. The taxable values per membership pupil used in the calculations under this subdivision are as adjusted by ad valorem property tax revenue captured under tax increment financing acts divided by the district's membership.

(3) Beginning in 2003-2004, for pupils in membership in a qualifying public school academy or qualifying university school, there is allocated under this section to the authorizing body that is the fiscal agent for the qualifying public school academy for forwarding to the qualifying public school academy, or to the board of the public university operating

the qualifying university school, an amount equal to the 1994-95 per pupil payment to the qualifying public school academy or qualifying university school under section 20.

(4) A district, qualifying university school, or qualifying public school academy may use funds allocated under this section in conjunction with any federal funds for which the district, qualifying university school, or qualifying public school academy otherwise would be eligible.

(5) For a district that is formed or reconfigured after June 1, 2000 by consolidation of 2 or more districts or by annexation, the resulting district's 1994-95 foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the average of the 1994-95 foundation allowances of each of the original or affected districts, calculated as provided in this section, weighted as to the percentage of pupils in total membership in the resulting district in the state fiscal year in which the consolidation takes place who reside in the geographic area of each of the original districts. If an affected district's 1994-95 foundation allowance is less than the 1994-95 basic foundation allowance, the amount of that district's 1994-95 foundation allowance shall be considered for the purpose of calculations under this subsection to be equal to the amount of the 1994-95 basic foundation allowance.

(6) As used in this section:

(a) "1994-95 foundation allowance" means a district's 1994-95 foundation allowance calculated and certified by the department of treasury or the superintendent under former section 20a as enacted in 1993 PA 336 and as amended by 1994 PA 283.

(b) "Certified mills" means the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94.

(c) "Current state fiscal year" means the state fiscal year for which a particular calculation is made.

(d) "Current year hold harmless school operating taxes per pupil" means the per pupil revenue generated by multiplying a district's 1994-95 hold harmless millage by the district's current year taxable value per membership pupil.

(e) "Hold harmless millage" means, for a district with a 1994-95 foundation allowance greater than \$6,500.00, the number of mills by which the exemption from the levy of school operating taxes on a homestead, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, and commercial personal property could be reduced as provided in section 1211 of the revised school code, MCL 380.1211, and the number of mills of school operating taxes that could be levied on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, as certified by the department of treasury for the 1994 tax year.

(f) "Homestead", "qualified agricultural property", "qualified forest property", "supportive housing property", "industrial personal property", and "commercial personal property" mean those terms as defined in section 1211 of the revised school code, MCL 380.1211.

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

(h) "Nonexempt property" means property that is not a principal residence, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, or commercial personal property.

(i) "Qualifying public school academy" means a public school academy that was in operation in the 1994-95 school year and is in operation in the current state fiscal year.

(j) "Qualifying university school" means a university school that was in operation in the 1994-95 school year and is in operation in the current fiscal year.

(k) "School operating taxes" means local ad valorem property taxes levied under section 1211 of the revised school code, MCL 380.1211, and retained for school operating purposes.

(l) "Tax increment financing acts" means 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

(m) "Taxable value per membership pupil" means each of the following divided by the district's membership:

(i) For the number of mills by which the exemption from the levy of school operating taxes on a homestead, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, and commercial personal property may be reduced as provided in section 1211 of the revised school code, MCL 380.1211, the taxable value of homestead, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, and commercial personal property for the calendar year ending in the current state fiscal year.

(ii) For the number of mills of school operating taxes that may be levied on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, the taxable value of all property for the calendar year ending in the current state fiscal year.

Sec. 22b. (1) From the state funds appropriated in section 11, there is allocated for 2009-2010 an amount not to exceed \$3,289,000,000.00 and there is allocated for 2010-2011 an amount not to exceed \$3,573,500,000.00 for discretionary nonmandated payments to districts under this section. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 51c in order to fully fund those calculated allocations for the same fiscal year.

(2) In addition to the funds allocated in subsection (1), there is allocated an amount estimated at \$450,000,000.00 for 2009-2010 and there is allocated an amount estimated at \$184,256,600.00 for 2010-2011 from the federal funds awarded to this state under title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5. These funds shall be distributed in a form and manner determined by the department based on an equal dollar amount per the number of membership pupils used to calculate the final state aid payment of the immediately preceding fiscal year and shall be expended in a manner prescribed by federal law.

(3) Subject to subsection (4) and section 11, the allocation to a district under this section shall be an amount equal to the sum of the amounts calculated under sections 20, 20j, 51a(2), 51a(3), and 51a(12), minus the sum of the allocations to the district under sections 22a and 51c.

(4) In order to receive an allocation under subsection (1), each district shall do all of the following:

(a) Administer in each grade level that it operates in grades 1 to 5 a standardized assessment approved by the department of grade-appropriate basic educational skills. A district may use the Michigan literacy progress profile to satisfy this requirement for grades 1 to 3. Also, if the revised school code is amended to require annual assessments at additional grade levels, in order to receive an allocation under this section each district shall comply with that requirement.

(b) Comply with sections 1278a and 1278b of the revised school code, MCL 380.1278a and 380.1278b.

(c) Furnish data and other information required by state and federal law to the center and the department in the form and manner specified by the center or the department, as applicable.

(d) Comply with section 1230g of the revised school code, MCL 380.1230g.

(5) Districts are encouraged to use funds allocated under this section for the purchase and support of payroll, human resources, and other business function software that is compatible with that of the intermediate district in which the district is located and with other districts located within that intermediate district.

(6) From the allocation in subsection (1), the department shall pay up to \$1,000,000.00 in litigation costs incurred by this state related to commercial or industrial property tax appeals, including, but not limited to, appeals of classification, that impact revenues dedicated to the state school aid fund.

(7) From the allocation in subsection (1), the department shall pay up to \$1,000,000.00 in litigation costs incurred by this state associated with lawsuits filed by 1 or more districts or intermediate districts against this state. If the allocation under this section is insufficient to fully fund all payments required under this section, the payments under this subsection shall be made in full before any proration of remaining payments under this section.

(8) It is the intent of the legislature that all constitutional obligations of this state have been fully funded under sections 22a, 31d, 51a, and 51c. If a claim is made by an entity receiving funds under this act that challenges the legislative determination of the adequacy of this funding or alleges that there exists an unfunded constitutional requirement, the state budget director may escrow or allocate from the discretionary funds for nonmandated payments under this section the amount as may be necessary to satisfy the claim before making any payments to districts under subsection (3). If funds are escrowed, the escrowed funds are a work project appropriation and the funds are carried forward into the following fiscal year. The purpose of the work project is to provide for any payments that may be awarded to districts as a result of litigation. The work project shall be completed upon resolution of the litigation.

(9) If the local claims review board or a court of competent jurisdiction makes a final determination that this state is in violation of section 29 of article IX of the state constitution of 1963 regarding state payments to districts, the state budget director shall use work project funds under subsection (8) or allocate from the discretionary funds for nonmandated payments under this section the amount as may be necessary to satisfy the amount owed to districts before making any payments to districts under subsection (3).

(10) If a claim is made in court that challenges the legislative determination of the adequacy of funding for this state's constitutional obligations or alleges that there exists an unfunded constitutional requirement, any interested party may seek an expedited review of the claim by the local claims review board. If the claim exceeds \$10,000,000.00, this state may remove the action to the court of appeals, and the court of appeals shall have and shall exercise jurisdiction over the claim.

(11) If payments resulting from a final determination by the local claims review board or a court of competent jurisdiction that there has been a violation of section 29 of article IX of the state constitution of 1963 exceed the amount allocated for discretionary nonmandated payments under this section, the legislature shall provide for adequate funding for this state's constitutional obligations at its next legislative session.

(12) If a lawsuit challenging payments made to districts related to costs reimbursed by federal title XIX medicaid funds is filed against this state, then, for the purpose of addressing potential liability under such a lawsuit, the state budget director may place funds allocated under this section in escrow or allocate money from the funds otherwise allocated under this section, up to a maximum of 50% of the amount allocated in subsection (1). If funds are placed in escrow under this subsection, those funds are a work project appropriation and the funds are carried forward into the following fiscal year. The purpose of the work project is to provide for any payments that may be awarded to districts as a result of the litigation. The work project shall be completed upon resolution of the litigation. In addition, this state reserves the right to terminate future federal title XIX medicaid reimbursement payments to districts if the amount or allocation of reimbursed funds is challenged in the lawsuit. As used in this subsection, "title XIX" means title XIX of the social security act, 42 USC 1396 to 1396v.

Sec. 22d. (1) From the appropriation in section 11, an amount not to exceed \$2,025,000.00 is allocated for 2010-2011 for additional payments to small, geographically isolated districts under this section.

(2) From the allocation under subsection (1), there is allocated for 2010-2011 an amount not to exceed \$750,000.00 for payments under this subsection to districts that meet all of the following:

- (a) Operates grades K to 12.
- (b) Has fewer than 250 pupils in membership.
- (c) Each school building operated by the district meets at least 1 of the following:
  - (i) Is located in the Upper Peninsula at least 30 miles from any other public school building.
  - (ii) Is located on an island that is not accessible by bridge.

(3) The amount of the additional funding to each eligible district under subsection (2) shall be determined under a spending plan developed as provided in this subsection and approved by the superintendent of public instruction. The spending plan shall be developed cooperatively by the intermediate superintendents of each intermediate district in which an eligible district is located. The intermediate superintendents shall review the financial situation of each eligible district, determine the minimum essential financial needs of each eligible district, and develop and agree on a spending plan that distributes the available funding under subsection (2) to the eligible districts based on those financial needs. The intermediate superintendents shall submit the spending plan to the superintendent of public instruction for approval. Upon approval by the superintendent of public instruction, the amounts specified for each eligible district under the spending plan are allocated under subsection (2) and shall be paid to the eligible districts in the same manner as payments under section 22b.

(4) Subject to subsection (6), from the allocation in subsection (1), there is allocated for 2010-2011 an amount not to exceed \$1,275,000.00 for payments under this subsection to districts that meet all of the following:

- (a) The district has 5.0 or fewer pupils per square mile as determined by the department.
- (b) The district has a total square mileage greater than 200.0 or is 1 of 2 districts that have consolidated transportation services and have a combined total square mileage greater than 200.0.
- (5) The funds allocated under subsection (4) shall be allocated on an equal per pupil basis.
- (6) A district receiving funds allocated under subsection (2) is not eligible for funding allocated under subsection (4).

Sec. 22e. (1) Beginning in 2008-2009, an amount will be allocated each fiscal year from the appropriation in section 11 for additional payments under this subsection to districts that meet the eligibility requirements under subsection (2). For 2010-2011, there is allocated for this purpose from the appropriation in section 11 an amount not to exceed \$1,300,000.00.

(2) To be eligible for a payment under subsection (1), a district must be determined by the department and the department of treasury to meet all of the following:

- (a) The district levies 1 of the following operating millage amounts:
  - (i) All of the operating millage it is authorized to levy under section 1211 of the revised school code, MCL 380.1211.
  - (ii) The amount of operating millage it is authorized to levy after a voluntary reduction of its operating millage rate adopted by the board of the district.
  - (iii) The amount of operating millage it is authorized to levy after a millage reduction required under the limitation of section 31 of article IX of the state constitution of 1963, if a ballot question asking for approval to levy millage in excess of the limitation has been rejected in the district.

(b) The district receives a reduced amount of local school operating revenue under section 1211 of the revised school code, MCL 380.1211, as a result of the exemptions of industrial personal property and commercial personal property that were enacted in 2007 PA 37.

(c) The district does not receive any state portion of its foundation allowance, as calculated under section 20(4).

(3) Subject to subsection (4), the amount of the additional funding to each eligible district under subsection (1) is the sum of the following and shall be paid to the eligible districts in the same manner as payments under section 22b:

(a) The product of the taxable value of the district's industrial personal property for the calendar year ending in the fiscal year multiplied by the total number of mills the district levies on nonexempt property under section 1211 of the revised school code, MCL 380.1211, for that calendar year.

(b) The product of the taxable value of the district's commercial personal property for the calendar year ending in the fiscal year multiplied by the lesser of 12 mills or the total number of mills the district levies on nonexempt property under section 1211 of the revised school code, MCL 380.1211, for that calendar year.

(4) The amount of the additional funding to an eligible district under subsection (1) for a fiscal year shall not exceed 15% of the total amount allocated under subsection (1) for that fiscal year.

(5) If the total amount of the payments calculated under subsection (3) for a fiscal year exceeds the allocation under subsection (1) for that fiscal year, the payment to each district under subsection (1) shall be prorated on an equal percentage basis.

(6) In addition to the amount allocated under subsection (1), for 2010-2011 only there is also allocated from the appropriation in section 11 the amount of \$500,000.00 to a district that is eligible for a payment under subsection (1) and that levied 1.8 mills in 1993 to finance an operating deficit.

Sec. 24. (1) From the appropriation in section 11, there is allocated for 2010-2011 an amount not to exceed \$8,000,000.00 for payments to the educating district or intermediate district for educating pupils assigned by a court or the department of human services to reside in or to attend a juvenile detention facility or child caring institution licensed by the department of human services and approved by the department to provide an on-grounds education program. The amount of the payment under this section to a district or intermediate district shall be calculated as prescribed under subsection (2).

(2) The total amount allocated under this section shall be allocated by paying to the educating district or intermediate district an amount equal to the lesser of the district's or intermediate district's added cost or the department's approved per pupil allocation for the district or intermediate district. For the purposes of this subsection:

(a) "Added cost" means 100% of the added cost each fiscal year for educating all pupils assigned by a court or the department of human services to reside in or to attend a juvenile detention facility or child caring institution licensed by the department of human services or the department of energy, labor, and economic growth and approved by the department to provide an on-grounds education program. Added cost shall be computed by deducting all other revenue received under this act for pupils described in this section from total costs, as approved by the department, in whole or in part, for educating those pupils in the on-grounds education program or in a program approved by the department that is located on property adjacent to a juvenile detention facility or child caring institution. Costs reimbursed by federal funds are not included.

(b) "Department's approved per pupil allocation" for a district or intermediate district shall be determined by dividing the total amount allocated under this section for a fiscal year by the full-time equated membership total for all pupils approved by the department to be funded under this section for that fiscal year for the district or intermediate district.

(3) A district or intermediate district educating pupils described in this section at a residential child caring institution may operate, and receive funding under this section for, a department-approved on-grounds educational program for those pupils that is longer than 181 days, but not longer than 233 days, if the child caring institution was licensed as a child caring institution and offered in 1991-92 an on-grounds educational program that was longer than 181 days but not longer than 233 days and that was operated by a district or intermediate district.

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

Sec. 24a. From the appropriation in section 11, there is allocated an amount not to exceed \$1,751,300.00 for 2009-2010 and there is allocated an amount not to exceed \$1,440,000.00 for 2010-2011 for payments to intermediate districts for pupils who are placed in juvenile justice service facilities operated by the department of human services. Each intermediate district shall receive an amount equal to the state share of those costs that are clearly and directly attributable to the educational programs for pupils placed in facilities described in this section that are located within the intermediate district's boundaries. The intermediate districts receiving payments under this section shall cooperate with the department of human services to ensure that all funding allocated under this section is utilized by the intermediate district and department of human services for educational programs for pupils described in this section. Pupils described in this section are not eligible to be funded under section 24. However, a program responsibility or other fiscal responsibility associated with these pupils shall not be transferred from the department of human services to a district or intermediate district unless the district or intermediate district consents to the transfer.

Sec. 24c. From the appropriation in section 11, there is allocated an amount not to exceed \$642,300.00 for 2010-2011 for payments to districts for pupils who are enrolled in a nationally administered community-based education and youth mentoring program, known as the youth challenge program, that is located within the district and is administered by the department of military and veterans affairs. Both of the following apply to a district receiving payments under this section:

(a) The district shall contract with the department of military and veterans affairs to ensure that all funding allocated under this section is utilized by the district and the department of military and veterans affairs for the youth challenge program.

(b) The district may retain for its administrative expenses an amount not to exceed 3% of the amount of the payment the district receives under this section.

Sec. 26a. From the state school aid fund appropriation in section 11, there is allocated an amount not to exceed \$26,300,000.00 for 2010-2011, and from the general fund appropriation in section 11, there is allocated an amount not to exceed \$9,200,000.00 for 2010-2011 to reimburse districts, intermediate districts, and the state school aid fund pursuant to section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in 2010. The allocations shall be made not later than 60 days after the department of treasury certifies to the department and to the state budget director that the department of treasury has received all necessary information to properly determine the amounts due to each eligible recipient.

Sec. 26b. (1) From the appropriation in section 11, there is allocated for 2010-2011 an amount not to exceed \$3,400,000.00 for payments to districts, intermediate districts, and community college districts for the portion of the payment in lieu of taxes obligation that is attributable to districts, intermediate districts, and community college districts pursuant to section 2154 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2154.

(2) If the amount appropriated under this section is not sufficient to fully pay obligations under this section, payments shall be prorated on an equal basis among all eligible districts, intermediate districts, and community college districts.

Sec. 29. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$20,000,000.00 for 2010-2011 for additional payments to eligible districts for declining enrollment assistance.

(2) A district is eligible for a payment under this section if all of the following apply:

(a) The district's pupil membership for the current fiscal year is less than the district's pupil membership for the immediately preceding fiscal year and the district's pupil membership for the immediately preceding fiscal year is less than the district's pupil membership for the previously preceding fiscal year as calculated under section 6 for that fiscal year.

(b) The district's average pupil membership is greater than the district's pupil membership for the current fiscal year as calculated under section 6.

(c) The district is not eligible to receive funding under section 6(4)(y) or 22d(2).

(3) Payments to each eligible district shall be equal to the difference between the district's average pupil membership and the district's pupil membership as calculated under section 6 for the current fiscal year multiplied by the district's foundation allowance as calculated under section 20. If the total amount of the payments calculated under this subsection exceeds the allocation for this section, the payment to each district shall be prorated on an equal percentage basis.

(4) For the purposes of this section, "average pupil membership" means the average of the district's membership for the 3-fiscal-year period ending with the current fiscal year, calculated by adding the district's actual membership for each of those 3 fiscal years, as otherwise calculated under section 6, and dividing the sum of those 3 membership figures by 3.

Sec. 31a. (1) From the state school aid fund money appropriated in section 11, there is allocated for 2010-2011 an amount not to exceed \$317,695,500.00 for payments to eligible districts and eligible public school academies under this section. Subject to subsection (14), the amount of the additional allowance under this section, other than funding under subsection (6) or (7), shall be based on the number of actual pupils in membership in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769i, and reported to the department by October 31 of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year. However, for a public school academy that began operations as a public school academy after the pupil membership count day of the immediately preceding school year, the basis for the additional allowance under this section shall be the number of actual pupils in membership in the public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the current state fiscal year, as determined under the Richard B. Russell national school lunch act.

(2) To be eligible to receive funding under this section, other than funding under subsection (6) or (7), a district or public school academy that has not been previously determined to be eligible shall apply to the department, in a form and manner prescribed by the department, and a district or public school academy must meet all of the following:

(a) The sum of the district's or public school academy's combined state and local revenue per membership pupil in the current state fiscal year, as calculated under section 20, plus the amount of the district's per pupil allocation under section 20j(2), is less than or equal to the basic foundation allowance under section 20 for the current state fiscal year.

(b) The district or public school academy agrees to use the funding only for purposes allowed under this section and to comply with the program and accountability requirements under this section.

(3) Except as otherwise provided in this subsection, an eligible district or eligible public school academy shall receive under this section for each membership pupil in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act and as reported to the department by October 31 of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year, an amount per pupil equal to 11.5% of the sum of the district's foundation allowance or public school academy's per pupil amount calculated under section 20, plus the amount of the district's per pupil allocation under section 20j(2), not to exceed the basic foundation allowance under section 20 for the current state fiscal year, or of the public school academy's per membership pupil amount calculated under section 20 for the current state fiscal year. A public school academy that began operations as a public school academy after the pupil membership count day of the immediately preceding school year shall receive under this section for each membership pupil in the public school academy who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act and as reported to the department by October 31 of the current fiscal year and adjusted not later than December 31 of the current fiscal year, an amount per pupil equal to 11.5% of the public school academy's per membership pupil amount calculated under section 20 for the current state fiscal year.

(4) Except as otherwise provided in this section, a district or public school academy receiving funding under this section shall use that money only to provide instructional programs and direct noninstructional services, including, but not limited to, medical or counseling services, for at-risk pupils; for school health clinics; and for the purposes of subsection (5), (6), or (7). In addition, a district that is a school district of the first class or a district or public school academy in which at least 50% of the pupils in membership met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1), may use not more than 20% of the funds it receives under this section for school security. A district or public school academy shall not use any of that money for administrative costs or to supplant another program or other funds, except for funds allocated to the district or public school academy under this section in the immediately preceding year and already being used by the district or public school academy for at-risk pupils. The instruction or direct noninstructional services provided under this section may be conducted before or after regular school hours or by adding extra school days to the school year and may include, but are not limited to, tutorial services, early childhood programs to serve children age 0 to 5, and reading programs as described in former section 32f as in effect for 2001-2002. A tutorial method may be conducted with paraprofessionals working under the supervision of a certificated teacher. The ratio of pupils to paraprofessionals shall be between 10:1 and 15:1. Only 1 certificated teacher is required to supervise instruction using a tutorial method. As used in this subsection, "to supplant another program" means to take the place of a previously existing instructional program or direct noninstructional services funded from a funding source other than funding under this section.

(5) Except as otherwise provided in subsection (12), a district or public school academy that receives funds under this section and that operates a school breakfast program under section 1272a of the revised school code, MCL 380.1272a, shall use from the funds received under this section an amount, not to exceed \$10.00 per pupil for whom the district or public school academy receives funds under this section, necessary to pay for costs associated with the operation of the school breakfast program.

(6) From the funds allocated under subsection (1), there is allocated for 2010-2011 an amount not to exceed \$3,557,300.00 to support child and adolescent health centers. These grants shall be awarded for 5 consecutive years beginning with 2003-2004 in a form and manner approved jointly by the department and the department of community health. Each grant recipient shall remain in compliance with the terms of the grant award or shall forfeit the grant award for the duration of the 5-year period after the noncompliance. To continue to receive funding for a child and adolescent health center under this section a grant recipient shall ensure that the child and adolescent health center has an advisory committee and that at least one-third of the members of the advisory committee are parents or legal guardians of school-aged children. A child and adolescent health center program shall recognize the role of a child's parents or legal guardian in the physical and emotional well-being of the child. Funding under this subsection shall be used to support child and adolescent health center services provided to children up to age 21. If any funds allocated under this subsection are not used for the purposes of this subsection for the fiscal year in which they are allocated, those unused funds shall be used that fiscal year to avoid or minimize any proration that would otherwise be required under subsection (14) for that fiscal year.

(7) From the funds allocated under subsection (1), there is allocated for 2010-2011 an amount not to exceed \$5,150,000.00 for the state portion of the hearing and vision screenings as described in section 9301 of the public health code, 1978 PA 368, MCL 333.9301. A local public health department shall pay at least 50% of the total cost of the screenings. The frequency of the screenings shall be as required under R 325.13091 to R 325.13096 and R 325.3271 to R 325.3276 of the Michigan administrative code. Funds shall be awarded in a form and manner approved jointly by the department and the department of community health. Notwithstanding section 17b, payments to eligible entities under this subsection shall be paid on a schedule determined by the department.

(8) Each district or public school academy receiving funds under this section shall submit to the department by July 15 of each fiscal year a report, not to exceed 10 pages, on the usage by the district or public school academy of funds under this section, which report shall include at least a brief description of each program conducted by the district or public school academy using funds under this section, the amount of funds under this section allocated to each of those programs, the number of at-risk pupils eligible for free or reduced price school lunch who were served by each of those programs, and the total number of at-risk pupils served by each of those programs. If a district or public school academy does not comply with this subsection, the department shall withhold an amount equal to the August payment due under this section until the district or public school academy complies with this subsection. If the district or public school academy does not comply with this subsection by the end of the state fiscal year, the withheld funds shall be forfeited to the school aid fund.

(9) In order to receive funds under this section, a district or public school academy shall allow access for the department or the department's designee to audit all records related to the program for which it receives those funds. The district or public school academy shall reimburse the state for all disallowances found in the audit.

(10) Subject to subsections (5), (6), (7), (12), and (13), any district may use up to 100% of the funds it receives under this section to reduce the ratio of pupils to teachers in grades K-6, or any combination of those grades, in school buildings in which the percentage of pupils described in subsection (1) exceeds the district's aggregate percentage of those pupils. Subject to subsections (5), (6), (7), (12), and (13), if a district obtains a waiver from the department, the district may use up to 100% of the funds it receives under this section to reduce the ratio of pupils to teachers in grades K-6, or any combination of those grades, in school buildings in which the percentage of pupils described in subsection (1) is at least 60% of the district's aggregate percentage of those pupils and at least 30% of the total number of pupils enrolled in the school building. To obtain a waiver, a district must apply to the department and demonstrate to the satisfaction of the department that the class size reductions would be in the best interests of the district's at-risk pupils.

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

(12) For an individual school or schools operated by a district or public school academy receiving funds under this section that have been determined by the department to meet the adequate yearly progress standards of the no child left behind act of 2001, Public Law 107-110, in both mathematics and English language arts at all applicable grade levels for all applicable subgroups, the district or public school academy may submit to the department an application for flexibility in using the funds received under this section that are attributable to the pupils in the school or schools. The application shall identify the affected school or schools and the affected funds and shall contain a plan for using the funds for specific purposes identified by the district that are designed to benefit at-risk pupils in the school, but that may be different from the purposes otherwise allowable under this section. The department shall approve the application if the department determines that the purposes identified in the plan are reasonably designed to benefit at-risk pupils in the school. If the department does not act to approve or disapprove an application within 30 days after it is submitted to the department, the application is considered to be approved. If an application for flexibility in using the funds is approved, the district may use the funds identified in the application for any purpose identified in the plan.

(13) A district or public school academy that receives funds under this section may use funds it receives under this section to implement and operate an early intervening program for pupils in grades K to 3 that meets either or both of the following:

(a) Monitors individual pupil learning and provides specific support or learning strategies to pupils as early as possible in order to reduce the need for special education placement. The program shall include literacy and numeracy supports, sensory motor skill development, behavior supports, instructional consultation for teachers, and the development of a parent/school learning plan. Specific support or learning strategies may include support in or out of the general classroom in areas including reading, writing, math, visual memory, motor skill development, behavior, or language development. These would be provided based on an understanding of the individual child's learning needs.

(b) Provides early intervening strategies using school-wide systems of academic and behavioral supports and is scientifically research-based. The strategies to be provided shall include at least pupil performance indicators based upon response to intervention, instructional consultation for teachers, and ongoing progress monitoring. A school-wide system of academic and behavioral support should be based on a support team available to the classroom teachers. The members of this team could include the principal, special education staff, reading teachers, and other appropriate

personnel who would be available to systematically study the needs of the individual child and work with the teacher to match instruction to the needs of the individual child.

(14) If necessary, and before any proration required under section 11, the department shall prorate payments under this section by reducing the amount of the per pupil payment under this section by a dollar amount calculated by determining the amount by which the amount necessary to fully fund the requirements of this section exceeds the maximum amount allocated under this section and then dividing that amount by the total statewide number of pupils who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as described in subsection (1).

(15) If a district is formed by consolidation after June 1, 1995, and if 1 or more of the original districts was not eligible before the consolidation for an additional allowance under this section, the amount of the additional allowance under this section for the consolidated district shall be based on the number of pupils described in subsection (1) enrolled in the consolidated district who reside in the territory of an original district that was eligible before the consolidation for an additional allowance under this section.

(16) Except as otherwise provided in subsection (18), a district or public school academy that does not meet the eligibility requirement under subsection (2)(a) is eligible for funding under this section if at least 1/4 of the pupils in membership in the district or public school academy met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1), and at least 4,500 of the pupils in membership in the district or public school academy met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1). A district or public school academy that is eligible for funding under this section because the district meets the requirements of this subsection shall receive under this section for each membership pupil in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as determined and reported as described in subsection (1), an amount per pupil equal to 11.5% of the sum of the district's foundation allowance or public school academy's per pupil allocation under section 20, plus the amount of the district's per pupil allocation under section 20j(2), not to exceed the basic foundation allowance under section 20 for the current state fiscal year.

(17) A district that does not meet the eligibility requirement under subsection (2)(a) is eligible for funding under this section if at least 75% of the pupils in membership in the district met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1), the district receives an adjustment under section 20(19), and the district does not receive any state portion of its foundation allowance as calculated under section 20. A district that is eligible for funding under this section because the district meets the requirements of this subsection shall receive under this section for each membership pupil in the district who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as determined and reported as described in subsection (1), an amount per pupil equal to 11.5% of the sum of the district's foundation allowance under section 20, not to exceed the basic foundation allowance under section 20 for the current state fiscal year.

(18) For a district described in subsection (16), the total allocation to the district otherwise due under this section, after any reduction under subsection (14), shall be further reduced by 25%.

(19) As used in this section, "at-risk pupil" means a pupil for whom the district has documentation that the pupil meets at least 2 of the following criteria: is a victim of child abuse or neglect; is below grade level in English language and communication skills or mathematics; is a pregnant teenager or teenage parent; is eligible for a federal free or reduced-price lunch subsidy; has atypical behavior or attendance patterns; or has a family history of school failure, incarceration, or substance abuse. For pupils for whom the results of at least the applicable Michigan education assessment program (MEAP) test have been received, at-risk pupil also includes a pupil who does not meet the other criteria under this subsection but who did not achieve at least a score of level 2 on the most recent MEAP English language arts, mathematics, or science test for which results for the pupil have been received. For pupils for whom the results of the Michigan merit examination have been received, at-risk pupil also includes a pupil who does not meet the other criteria under this subsection but who did not achieve proficiency on the reading component of the most recent Michigan merit examination for which results for the pupil have been received, did not achieve proficiency on the mathematics component of the most recent Michigan merit examination for which results for the pupil have been received, or did not achieve basic competency on the science component of the most recent Michigan merit examination for which results for the pupil have been received. For pupils in grades K-3, at-risk pupil also includes a pupil who is at risk of not meeting the district's core academic curricular objectives in English language arts or mathematics.

Sec. 31d. (1) From the appropriations in section 11, there is allocated an amount not to exceed \$22,495,100.00 for 2010-2011 for the purpose of making payments to districts and other eligible entities under this section.

(2) The amounts allocated from state sources under this section shall be used to pay the amount necessary to reimburse districts for 6.0127% of the necessary costs of the state mandated portion of the school lunch programs provided by those districts. The amount due to each district under this section shall be computed by the department

using the methods of calculation adopted by the Michigan supreme court in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492.

(3) The payments made under this section include all state payments made to districts so that each district receives at least 6.0127% of the necessary costs of operating the state mandated portion of the school lunch program in a fiscal year.

(4) The payments made under this section to districts and other eligible entities that are not required under section 1272a of the revised school code, MCL 380.1272a, to provide a school lunch program shall be in an amount not to exceed \$10.00 per eligible pupil plus 5 cents for each free lunch and 2 cents for each reduced price lunch provided, as determined by the department.

(5) From the federal funds appropriated in section 11, there is allocated for 2010-2011 all available federal funding, estimated at \$400,000,000.00, for the national school lunch program and all available federal funding, estimated at \$2,506,000.00, for the emergency food assistance program.

(6) Notwithstanding section 17b, payments to eligible entities other than districts under this section shall be paid on a schedule determined by the department.

(7) In purchasing food for a school lunch program funded under this section, preference shall be given to food that is grown or produced by Michigan businesses if it is competitively priced and of comparable quality.

Sec. 31f. (1) From the appropriations in section 11, there is allocated an amount not to exceed \$9,625,000.00 for 2010-2011 for the purpose of making payments to districts to reimburse for the cost of providing breakfast.

(2) The funds allocated under this section for school breakfast programs shall be made available to all eligible applicant districts that meet all of the following criteria:

(a) The district participates in the federal school breakfast program and meets all standards as prescribed by 7 CFR parts 220 and 245.

(b) Each breakfast eligible for payment meets the federal standards described in subdivision (a).

(3) The payment for a district under this section is at a per meal rate equal to the lesser of the district's actual cost or 100% of the statewide average cost of a breakfast served, as determined and approved by the department, less federal reimbursement, participant payments, and other state reimbursement. The statewide average cost shall be determined by the department using costs as reported in a manner approved by the department for the preceding school year.

(4) Notwithstanding section 17b, payments under this section may be made pursuant to an agreement with the department.

(5) In purchasing food for a school breakfast program funded under this section, preference shall be given to food that is grown or produced by Michigan businesses if it is competitively priced and of comparable quality.

Sec. 32b. (1) From the funds appropriated under section 11, there is allocated an amount not to exceed \$6,000,000.00 for 2010-2011 for competitive grants to intermediate districts for the creation and continuance of great start communities or other community purposes as identified by the early childhood investment corporation. These dollars may not be expended until both of the following conditions have been met:

(a) The early childhood investment corporation has identified matching dollars of at least an amount equal to the amount of the matching dollars for 2006-2007.

(b) The executive committee of the corporation includes, in addition to the members of the executive committee provided for by the interlocal agreement creating the corporation under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.510 to 124.512, 4 members appointed by the governor as provided in this subdivision. Not later than 30 days after the convening of a regular legislative session in an odd-numbered year, the speaker of the house of representatives, the house minority leader, the senate majority leader, and the senate minority leader shall each submit to the governor a list of 3 or more individuals as nominees for appointment as members of the executive committee of the corporation. The corporation shall notify each of the legislative leaders of this requirement to submit a list of nominees not later than 30 days before the date that the list is due. Within 60 days of the submission to the governor of nominees by each of the 4 legislative leaders, the governor shall appoint 1 member of the executive committee from each list of nominees submitted by each of the 4 legislative leaders. A member appointed under this subdivision shall serve a term as a member of the executive committee through the next regular legislative session unless he or she resigns or is otherwise unable to serve. When a vacancy occurs other than by expiration of a term, the corporation shall notify the legislative leader who originally nominated the member of the vacancy and that legislative leader shall submit to the governor a list of 3 or more individuals as nominees for appointment to fill the vacancy within 30 days after being notified by the corporation of the vacancy. The governor shall make an appointment to fill that vacancy in the same manner as the original appointment not later than 60 days after the date the vacancy occurs.

(2) The early childhood investment corporation shall award grants to eligible intermediate districts in an amount to be determined by the corporation.

(3) In order to receive funding, each intermediate district applicant shall agree to convene a local great start collaborative to address the availability of the 6 components of a great start system in its communities: physical health, social-emotional health, family supports, basic needs, economic stability and safety, and parenting education and early education and care, to ensure that every child in the community is ready for kindergarten. Specifically, each grant will fund the following:

(a) The completion of a community needs assessment and strategic plan for the creation of a comprehensive system of early childhood services and supports, accessible to all children from birth to kindergarten and their families.

(b) Identification of local resources and services for children with disabilities, developmental delays, or special needs and their families.

(c) Coordination and expansion of infrastructure to support high-quality early childhood and childcare programs.

(d) Evaluation of local programs.

(4) Not later than December 1 of each fiscal year, for the grants awarded under this section for the immediately preceding fiscal year, the department shall provide to the house and senate appropriations subcommittees on state school aid, the state budget director, and the house and senate fiscal agencies a report detailing the amount of each grant awarded under this section, the grant recipients, the activities funded by each grant under this section, and an analysis of each grant recipient's success in addressing the development of a comprehensive system of early childhood services and supports.

(5) An intermediate district receiving funds under this section may carry over any unexpended funds received under this section into the next fiscal year and may expend those unused funds in the next fiscal year. A recipient of a grant shall return any unexpended grant funds to the department in the manner prescribed by the department not later than September 30 of the next fiscal year after the fiscal year in which the funds are received.

(6) Notwithstanding section 17b, payments under this section may be made pursuant to an agreement with the department.

Sec. 32c. (1) If the double deduction allowed for state income tax purposes for indirect costs incurred in oil and gas production is eliminated, then in addition to the general fund appropriation in section 11, there is appropriated an amount not to exceed \$1,500,000.00 for 2010-2011 to the department for grants for community-based collaborative prevention services designed to foster positive parenting skills; improve parent/child interaction, especially for children 0-3 years of age; promote access to needed community services; increase local capacity to serve families at risk; improve school readiness; and support healthy family environments that discourage alcohol, tobacco, and other drug use. The allocation under this section is to fund secondary prevention programs as defined by the children's trust fund for the prevention of child abuse and neglect.

(2) The funds allocated under subsection (1) shall be distributed through a joint request for proposals process established by the department in conjunction with the children's trust fund and the interagency director's workgroup. Projects funded with grants awarded under this section shall meet all of the following:

(a) Be secondary prevention initiatives and voluntary to consumers. This appropriation is not intended to serve the needs of children for whom and families in which neglect or abuse has been substantiated.

(b) Demonstrate that the planned services are part of a community's integrated comprehensive family support strategy endorsed by the community collaborative and, where there is a great start collaborative, demonstrate that the planned services are part of the community's great start strategic plan.

(c) Provide a 25% local match, of which not more than 10% may be in-kind services, unless this requirement is waived by the interagency director's workgroup.

(3) Notwithstanding section 17b, payments under this section may be made pursuant to an agreement with the department.

(4) Not later than January 30 of the next fiscal year, the department shall prepare and submit to the governor and the legislature an annual report of outcomes achieved by the providers of the community-based collaborative prevention services funded under this section for a fiscal year.

Sec. 32d. (1) For 2010-2011, there is allocated to eligible districts for great start readiness programs an amount not to exceed \$89,400,000.00 from the state school aid fund money appropriated in section 11. In addition, from the general fund appropriation in section 11, there is allocated an amount not to exceed \$8,875,000.00 for competitive great start readiness program grants. Funds allocated under this section shall be used to provide part-day or full-day comprehensive free compensatory programs designed to do 1 or both of the following:

(a) Improve the readiness and subsequent achievement of educationally disadvantaged children as defined by the department who will be at least 4, but less than 5 years of age, as of December 1 of the school year in which the programs are offered, and who show evidence of 2 or more risk factors as defined by the state board.

(b) Provide preschool and parenting education programs similar to those under former section 32b as in effect for 2001-2002. Beginning in 2007-2008, funds spent by a district for programs described in this subdivision shall not exceed the lesser of the amount spent by the district under this subdivision for 2006-2007 or the amount spent under this subdivision in any subsequent fiscal year.

(2) To be eligible to receive payments under this section, a district shall comply with this section and section 39. To receive competitive grant payments under this section, an eligible grant recipient shall comply with this section and section 32l.

(3) In addition to the allocation under subsection (1), from the general fund money appropriated under section 11, there is allocated an amount not to exceed \$300,000.00 for 2010-2011 for a competitive grant to continue a longitudinal evaluation of children who have participated in great start readiness programs.

(4) To be eligible for funding under this section, a program shall prepare children for success in school through comprehensive part-day or full-day programs that contain all of the following program components, as determined by the department:

(a) Participation in a collaborative recruitment and enrollment process. At a minimum, the process shall include all other funded preschool programs that may serve children in the same geographic area, to assure that each child is enrolled in the program most appropriate to his or her needs and to maximize the use of federal, state, and local funds.

(b) An age-appropriate educational curriculum that is in compliance with the early childhood standards of quality for prekindergarten children adopted by the state board.

(c) Nutritional services for all program participants.

(d) Health and developmental screening services for all program participants.

(e) Referral services for families of program participants to community social service agencies, as appropriate.

(f) Active and continuous involvement of the parents or guardians of the program participants.

(g) A plan to conduct and report annual great start readiness program evaluations and continuous improvement plans using criteria approved by the department.

(h) Participation in a multidistrict, multiagency, school readiness advisory committee that provides for the involvement of classroom teachers, parents or guardians of program participants, and community, volunteer, and social service agencies and organizations, as appropriate. The advisory committee shall review the program components listed in this subsection and make recommendations for changes to the great start readiness program for which it is an advisory committee.

(i) For great start readiness programs operated by a district or consortium of districts, provide for the ongoing articulation of the early childhood, kindergarten, and first grade programs offered by the district or districts.

(5) An application for funding under this section shall provide for the following, in a form and manner determined by the department:

(a) Ensure compliance with all program components described in subsection (4).

(b) Ensure that more than 75% of the children participating in an eligible great start readiness program are children who live with families with a household income that is equal to or less than 300% of the federal poverty level.

(c) Ensure that the applicant only employs qualified personnel for this program, as follows:

(i) Teachers possessing proper training. For programs the district manages itself, a valid teaching certificate and an early childhood (ZA) endorsement are required. This provision does not apply to a district that subcontracts with an eligible child development program. In that situation, a teacher must have a valid Michigan teaching certificate with an early childhood (ZA) endorsement, a valid Michigan teaching certificate with a child development associate credential, or a bachelor's degree in child development with specialization in preschool teaching. However, both of the following apply to this subparagraph:

(A) If a district demonstrates to the department that it is unable to fully comply with this subparagraph after making reasonable efforts to comply, teachers who have significant but incomplete training in early childhood education or child development may be employed by the district if the district provides to the department, and the department approves, a plan for each teacher to come into compliance with the standards in this subparagraph. A teacher's compliance plan must be completed within 4 years of the date of employment. Progress toward completion of the compliance plan shall consist of at least 2 courses per calendar year.

(B) For a subcontracted program, the department shall consider a teacher with 90 credit hours and at least 4 years' teaching experience in a qualified preschool program to meet the requirements under this subparagraph.

(ii) Paraprofessionals possessing proper training in early childhood development, including an associate's degree in early childhood education or child development or the equivalent, or a child development associate (CDA) credential, or the equivalent as approved by the state board. However, if a district demonstrates to the department that it is unable to fully comply with this subparagraph after making reasonable efforts to comply, the district may employ paraprofessionals

who have completed at least 1 course in early childhood education or child development if the district provides to the department, and the department approves, a plan for each paraprofessional to come into compliance with the standards in this subparagraph. A paraprofessional's compliance plan must be completed within 2 years of the date of employment. Progress toward completion of the compliance plan shall consist of at least 2 courses or 60 clock hours of training per calendar year.

(d) Include a program budget that contains only those costs that are not reimbursed or reimbursable by federal funding, that are clearly and directly attributable to the great start readiness program, and that would not be incurred if the program were not being offered. The program budget shall indicate the extent to which these funds will supplement other federal, state, local, or private funds. Funds received under this section shall not be used to supplant any federal funds by the applicant to serve children eligible for a federally funded existing preschool program that has the capacity to serve those children.

(6) For a grant recipient that enrolls pupils in a full-day program funded under this section, each child enrolled in the full-day program shall be counted as 2 children served by the program for purposes of determining the number of children to be served and for determining the amount of the grant award. A grant award shall not be increased solely on the basis of providing a full-day program. As used in this subsection, "full-day program" means a program that operates for at least the same length of day as a district's first grade program for a minimum of 4 days per week, 30 weeks per year. A classroom that offers a full-day program must enroll all children for the full day to be considered a full-day program.

(7) A district or consortium of districts receiving a grant under this section may contract with for-profit or nonprofit preschool center providers that meet all requirements of subsection (4) and retain for administrative services an amount equal to not more than 5% of the grant amount. A district or consortium of districts may expend not more than 10% of the total grant amount for administration of the program.

(8) Any public or private for-profit or nonprofit legal entity or agency may apply for a competitive grant under this section. However, a district or intermediate district may not apply for a competitive grant under this section unless the district, intermediate district, or consortium of districts or intermediate districts is acting as a local grantee for the federal head start program operating under the head start act, 42 USC 9831 to 9852.

(9) A recipient of funds under this section shall report to the department on the midyear report the number of children participating in the program who meet the income or other eligibility criteria prescribed by the department and the total number of children participating in the program. For children participating in the program who meet the income or other eligibility criteria specified under subsection (5)(b), a recipient shall also report whether or not a parent is available to provide care based on employment status. For the purposes of this subsection, "employment status" shall be defined by the department of human services in a manner consistent with maximizing the amount of spending that may be claimed for temporary assistance for needy families maintenance of effort purposes.

(10) As used in this section, "part-day program" means a program that operates at least 4 days per week, 30 weeks per year, for at least 3 hours of teacher-child contact time per day but for fewer hours of teacher-child contact time per day than a full-day program as defined in subsection (6).

(11) A district or intermediate district receiving funds under this section is encouraged to establish a sliding scale of tuition rates based upon a child's family income for the purpose of expanding eligible programs under this section. A district or intermediate district may charge tuition for programs provided under this section according to that sliding scale of tuition rates on a uniform basis for any child who does not meet the program eligibility requirements under this section.

Sec. 32j. (1) From the appropriations in section 11, there is allocated an amount not to exceed \$5,000,000.00 for 2010-2011 for great parents, great start grants to intermediate districts to provide programs for parents with young children. The purpose of these programs is to encourage early mathematics and reading literacy, improve school readiness, reduce the need for special education services, and foster the maintenance of stable families by encouraging positive parenting skills.

(2) To qualify for funding under this section, a program shall provide services to all families with children age 5 or younger residing within the intermediate district who choose to participate, including at least all of the following services:

(a) Providing parents with information on child development from birth to age 5.

(b) Providing parents with methods to enhance parent-child interaction that promote social and emotional development and age-appropriate language, mathematics, and early reading skills for young children; including, but not limited to, encouraging parents to read to their preschool children at least 1/2 hour per day.

(c) Providing parents with examples of learning opportunities to promote intellectual, physical, and social growth of young children, including the acquisition of age-appropriate language, mathematics, and early reading skills.

(d) Promoting access to needed community services through a community-school-home partnership.

(3) To receive a grant under this section, an intermediate district shall submit a plan to the department not later than October 15, 2010 in the form and manner prescribed by the department. The plan shall do all of the following in a manner prescribed by the department:

(a) Provide a plan for the delivery of the program components described in subsection (2) that targets resources based on family need and provides for educators trained in child development to help parents understand their role in their child's developmental process, thereby promoting school readiness and mitigating the need for special education services.

(b) Demonstrate an adequate collaboration of local entities involved in providing programs and services for preschool children and their parents and, where there is a great start collaborative, demonstrate that the planned services are part of the community's great start strategic plan.

(c) Provide a projected budget for the program to be funded. The intermediate district shall provide at least a 20% local match from local public or private resources for the funds received under this section. Not more than 1/2 of this matching requirement, up to a total of 10% of the total project budget, may be satisfied through in-kind services provided by participating providers of programs or services. In addition, not more than 10% of the grant may be used for program administration.

(4) Each intermediate district receiving a grant under this section shall agree to include a data collection system approved by the department. The data collection system shall provide a report by October 15 of each year on the number of children in families with income below 200% of the federal poverty level that received services under this program and the total number of children who received services under this program.

(5) The department or superintendent, as applicable, shall do all of the following:

(a) The superintendent shall approve or disapprove the plans and notify the intermediate district of that decision not later than November 15, 2010. The amount allocated to each intermediate district shall be at least an amount equal to 100% of the intermediate district's 2009-2010 payment under this section.

(b) The department shall ensure that all programs funded under this section utilize the most current validated research-based methods and curriculum for providing the program components described in subsection (2).

(c) The department shall submit a report to the state budget director and the senate and house fiscal agencies summarizing the data collection reports described in subsection (4) by December 1 of each year.

(6) An intermediate district receiving funds under this section shall use the funds only for the program funded under this section. An intermediate district receiving funds under this section may carry over any unexpended funds received under this section into the next fiscal year and may expend those unused funds in the next fiscal year. A recipient of a grant shall return any unexpended grant funds to the department in the manner prescribed by the department not later than September 30 of the next fiscal year after the fiscal year in which the funds are received.

Sec. 32l. (1) The department shall establish a diverse interagency committee to review the applications for competitive grants under section 32d. The committee shall be composed of representatives of the department, appropriate community, volunteer, and social service agencies and organizations, and parents.

(2) The superintendent shall award the competitive grants under section 32d to applicants that are in compliance with that section and shall give priority for awarding the competitive grants to programs that offer or contract with another nonprofit or for-profit early childhood program to provide supplementary day care and thereby offers full-day programs as part of its early childhood development program.

(3) The superintendent may award competitive grants under section 32d at whatever level the superintendent determines appropriate. However, the amount of a competitive grant under that section, when combined with other sources of state revenue for this program, shall not exceed \$3,400.00 per participating child or the cost of the program, whichever is less.

(4) All grant awards under this section are contingent on the availability of funds and documented evidence of grantee compliance with early childhood standards of quality for prekindergarten, as approved by the state board, and with all operational, fiscal, administrative, and other program requirements.

(5) Except as otherwise provided in this subsection, an applicant that received a grant under this section for the immediately preceding fiscal year shall receive priority for funding under this section. However, after 3 fiscal years of continuous funding, an applicant is required to compete openly with new programs and other programs completing their third year.

(6) Notwithstanding section 17b, competitive grant payments to eligible entities under section 32d shall be paid on a schedule and in a manner determined by the department.

Sec. 39. (1) A district receiving funds under section 32d shall submit a preapplication, in a form and manner prescribed by the department, by a date specified by the department in the immediately preceding state fiscal year. The preapplication shall include a comprehensive needs assessment and community collaboration plan, which is endorsed by

the local great start collaborative and is part of the community's great start strategic plan that includes, but is not limited to, great start readiness program and head start providers, and shall identify all of the following:

(a) The estimated total number of children in the community who meet the criteria of section 32d and how that calculation was made.

(b) The estimated number of children in the community who meet the criteria of section 32d and are being served by other early childhood development programs operating in the community, and how that calculation was made.

(c) The number of children the district will be able to serve who meet the criteria of section 32d including a verification of physical facility and staff resources capacity.

(d) The estimated number of children who meet the criteria of section 32d who will remain unserved after the district and community early childhood programs have met their funded enrollments. The school district shall maintain a waiting list of identified unserved eligible children who would be served when openings are available.

(2) A district receiving funds under section 32d shall also submit a final application for approval, in a form and manner prescribed by the department, by a date specified by the department, that details how the district complies with the program components established by the department pursuant to section 32d.

(3) The number of prekindergarten children construed to be in need of special readiness assistance under section 32d shall be calculated for each district in the following manner: 1/2 of the percentage of the district's pupils in grades 1 to 5 who are eligible for free lunch, as determined using the district's pupil membership count as of the pupil membership count day in the school year prior to the fiscal year for which the calculation is made, under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769i, shall be multiplied by the average kindergarten enrollment of the district on the pupil membership count day of the 2 immediately preceding fiscal years.

(4) Beginning in 2008-2009, the initial allocation for each fiscal year to each eligible district under section 32d shall be determined by multiplying the number of children determined by the formula under subsection (3) or the number of children the district indicates it will be able to serve under subsection (1)(c), whichever is less, by \$3,400.00 and shall be distributed among districts in decreasing order of concentration of eligible children as determined by the formula under subsection (3). If the number of children a district indicates it will be able to serve under subsection (1)(c) includes children able to be served in a full-day program, then the number able to be served in a full-day program shall be doubled for the purposes of making this calculation of the lesser of the number of children determined by the formula under subsection (3) and the number of children the district indicates it will be able to serve under subsection (1)(c) and determining the amount of the initial allocation to the district under section 32d. A district may contract with a head start agency to serve children enrolled in head start with a full-day program by blending head start funds with a part-day great start readiness program allocation. All head start and great start readiness program policies and regulations apply to the blended program.

(5) If funds appropriated for eligible districts in section 32d remain after the initial allocation under subsection (4), the allocation under this subsection shall be distributed to each eligible district under section 32d in decreasing order of concentration of eligible children as determined by the formula under subsection (3). The allocation shall be determined by multiplying the number of children each eligible district served in the immediately preceding fiscal year, including the number of children the district would have served if it had not satisfied all or part of the reduction under section 11d from funding under this section, or the number of children the district indicates it will be able to serve under subsection (1)(c), whichever is less, minus the number of children for which the district received funding in subsection (4) by \$3,400.00.

(6) If funds appropriated for eligible districts in section 32d remain after the allocations under subsections (4) and (5), remaining funds shall be distributed to each eligible district under section 32d in decreasing order of concentration of eligible children as determined by the formula under subsection (3). If the number of children the district indicates it will be able to serve under subsection (1)(c) exceeds the number of children for which funds have been received under subsections (4) and (5), the allocation under this subsection shall be determined by multiplying the number of children the district indicates it will be able to serve under subsection (1)(c) less the number of children for which funds have been received under subsections (4) and (5) by \$3,400.00 until the funds allocated for eligible districts in section 32d are distributed.

(7) If a district is participating in a program under section 32d for the first year, the maximum allocation under this section is 32 multiplied by \$3,400.00.

(8) A district that offers supplementary day care funded by funds other than those received under this section and therefore offers full-day programs as part of its early childhood development program shall receive priority in the allocation of funds under section 32d over other eligible districts.

(9) For any district with 315 or more eligible pupils, the number of eligible pupils shall be 65% of the number calculated using the formula under subsection (3). However, none of these districts may have less than 315 pupils for purposes of calculating the tentative allocation for eligible districts under section 32d.

(10) If, taking into account the total amount to be allocated to the district as calculated under this section, a district determines that it is able to include additional eligible children in the great start readiness program without additional funds under section 32d, the district may include additional eligible children but shall not receive additional funding under section 32d for those children.

(11) A consortium of 2 or more districts shall be eligible for an allocation under section 32d if the districts designate a district or intermediate district to serve as the fiscal agent for the consortium's allocation. A consortium shall submit a single application for the total number of children to be served. The consortium may decide, with approval of all consortium members, to serve numbers of children based on the allocation to each district or based on the allocation to the entire consortium, allowing children residing in any district in the consortium to be served by the consortium at any location.

Sec. 39a. (1) From the federal funds appropriated in section 11, there is allocated for 2010-2011 to districts, intermediate districts, and other eligible entities all available federal funding, estimated at \$761,973,600.00, for the federal programs under the no child left behind act of 2001, Public Law 107-110. These funds are allocated as follows:

(a) An amount estimated at \$10,808,600.00 to provide students with drug- and violence-prevention programs and to implement strategies to improve school safety, funded from DED-OESE, drug-free schools and communities funds.

(b) An amount estimated at \$7,461,800.00 for the purpose of improving teaching and learning through a more effective use of technology, funded from DED-OESE, educational technology state grant funds.

(c) An amount estimated at \$109,411,900.00 for the purpose of preparing, training, and recruiting high-quality teachers and class size reduction, funded from DED-OESE, improving teacher quality funds.

(d) An amount estimated at \$10,322,300.00 for programs to teach English to limited English proficient (LEP) children, funded from DED-OESE, language acquisition state grant funds.

(e) An amount estimated at \$8,550,000.00 for the Michigan charter school subgrant program, funded from DED-OESE, charter school funds.

(f) An amount estimated at \$898,300.00 for rural and low income schools, funded from DED-OESE, rural and low income school funds.

(g) An amount estimated at \$1,000.00 to help schools develop and implement comprehensive school reform programs, funded from DED-OESE, title I and title X, comprehensive school reform funds.

(h) An amount estimated at \$517,479,800.00 to provide supplemental programs to enable educationally disadvantaged children to meet challenging academic standards, funded from DED-OESE, title I, disadvantaged children funds.

(i) An amount estimated at \$2,152,700.00 for the purpose of providing unified family literacy programs, funded from DED-OESE, title I, even start funds.

(j) An amount estimated at \$8,807,200.00 for the purpose of identifying and serving migrant children, funded from DED-OESE, title I, migrant education funds.

(k) An amount estimated at \$24,733,200.00 to promote high-quality school reading instruction for grades K-3, funded from DED-OESE, title I, reading first state grant funds.

(l) An amount estimated at \$2,849,000.00 for the purpose of implementing innovative strategies for improving student achievement, funded from DED-OESE, title VI, innovative strategies funds.

(m) An amount estimated at \$40,050,000.00 for the purpose of providing high-quality extended learning opportunities, after school and during the summer, for children in low-performing schools, funded from DED-OESE, twenty-first century community learning center funds.

(n) An amount estimated at \$17,586,100.00 to help support local school improvement efforts, funded from DED-OESE, title I, local school improvement grants.

(2) From the federal funds appropriated in section 11, there is allocated for 2010-2011 to districts, intermediate districts, and other eligible entities all available federal funding, estimated at \$32,359,700.00, for the following programs that are funded by federal grants:

(a) An amount estimated at \$600,000.00 for acquired immunodeficiency syndrome education grants, funded from HHS – center for disease control, AIDS funding.

(b) An amount estimated at \$1,814,100.00 to provide services to homeless children and youth, funded from DED-OVAE, homeless children and youth funds.

(c) An amount estimated at \$1,445,600.00 for serve America grants, funded from the corporation for national and community service funds.

(d) An amount estimated at \$28,500,000.00 for providing career and technical education services to pupils, funded from DED-OVAE, basic grants to states.

(3) To the extent allowed under federal law, the funds allocated under subsection (1)(h), (i), (k), and (n) may be used for 1 or more reading improvement programs that meet at least 1 of the following:

(a) A research-based, validated, structured reading program that aligns learning resources to state standards and includes continuous assessment of pupils and individualized education plans for pupils.

(b) A mentoring program that is a research-based, validated program or a statewide 1-to-1 mentoring program and is designed to enhance the independence and life quality of pupils who are mentally impaired by providing opportunities for mentoring and integrated employment.

(c) A cognitive development program that is a research-based, validated educational service program focused on assessing and building essential cognitive and perceptual learning abilities to strengthen pupil concentration and learning.

(d) A structured mentoring-tutorial reading program for pupils in preschool to grade 4 that is a research-based, validated program that develops individualized educational plans based on each pupil's age, assessed needs, reading level, interests, and learning style.

(4) All federal funds allocated under this section shall be distributed in accordance with federal law and with flexibility provisions outlined in Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(5) For the purposes of applying for federal grants appropriated under this act, the department shall allow an intermediate district to submit a consolidated application on behalf of 2 or more districts with the agreement of those districts.

(6) As used in this section:

(a) "DED" means the United States department of education.

(b) "DED-OESE" means the DED office of elementary and secondary education.

(c) "DED-OVAE" means the DED office of vocational and adult education.

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

(e) "HHS-ACF" means the HHS administration for children and families.

Sec. 41. From the appropriation in section 11, there is allocated an amount not to exceed \$2,800,000.00 for 2010-2011 to applicant districts and intermediate districts offering programs of instruction for pupils of limited English-speaking ability under section 1153 of the revised school code, MCL 380.1153. Reimbursement shall be on a per pupil basis and shall be based on the number of pupils of limited English-speaking ability in membership on the pupil membership count day. Funds allocated under this section shall be used solely for instruction in speaking, reading, writing, or comprehension of English. A pupil shall not be counted under this section or instructed in a program under this section for more than 3 years.

Sec. 51a. (1) From the appropriation in section 11, there is allocated for 2009-2010 an amount not to exceed \$1,019,583,000.00 and there is allocated for 2010-2011 an amount not to exceed \$1,057,883,000.00 from state sources and all available federal funding under sections 611 to 619 of part B of the individuals with disabilities education act, 20 USC 1411 to 1419, estimated at \$350,700,000.00 for 2009-2010 and estimated at \$385,700,000.00 for 2010-2011, plus any carryover federal funds from previous year appropriations. The allocations under this subsection are for the purpose of reimbursing districts and intermediate districts for special education programs, services, and special education personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to 380.1766; net tuition payments made by intermediate districts to the Michigan schools for the deaf and blind; and special education programs and services for pupils who are eligible for special education programs and services according to statute or rule. For meeting the costs of special education programs and services not reimbursed under this article, a district or intermediate district may use money in general funds or special education funds, not otherwise restricted, or contributions from districts to intermediate districts, tuition payments, gifts and contributions from individuals, or federal funds that may be available for this purpose, as determined by the intermediate district plan prepared pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. All federal funds allocated under this section in excess of those allocated under this section for 2002-2003 may be distributed in accordance with the flexible funding provisions of the individuals with disabilities education act, Public Law 108-446, including, but not limited to, 34 CFR 300.206 and 300.208. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(2) From the funds allocated under subsection (1), there is allocated each fiscal year the amount necessary, estimated at \$238,500,000.00 for 2009-2010 and estimated at \$248,200,000.00 for 2010-2011, for payments toward reimbursing districts and intermediate districts for 28.6138% of total approved costs of special education, excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Allocations under this subsection shall be made as follows:

(a) The initial amount allocated to a district under this subsection toward fulfilling the specified percentages shall be calculated by multiplying the district's special education pupil membership, excluding pupils described in subsection (12), times the sum of the foundation allowance under section 20 of the pupil's district of residence plus the amount of the district's per pupil allocation under section 20j(2), not to exceed the basic foundation allowance under section 20 for the

current fiscal year, or, for a special education pupil in membership in a district that is a public school academy or university school, times an amount equal to the amount per membership pupil calculated under section 20(6). For an intermediate district, the amount allocated under this subdivision toward fulfilling the specified percentages shall be an amount per special education membership pupil, excluding pupils described in subsection (12), and shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year, and that district's per pupil allocation under section 20j(2).

(b) After the allocations under subdivision (a), districts and intermediate districts for which the payments calculated under subdivision (a) do not fulfill the specified percentages shall be paid the amount necessary to achieve the specified percentages for the district or intermediate district.

(3) From the funds allocated under subsection (1), there is allocated each fiscal year for 2009-2010 and for 2010-2011 the amount necessary, estimated at \$1,200,000.00 for 2009-2010 and estimated at \$1,400,000.00 for 2010-2011, to make payments to districts and intermediate districts under this subsection. If the amount allocated to a district or intermediate district for a fiscal year under subsection (2)(b) is less than the sum of the amounts allocated to the district or intermediate district for 1996-97 under sections 52 and 58, there is allocated to the district or intermediate district for the fiscal year an amount equal to that difference, adjusted by applying the same proration factor that was used in the distribution of funds under section 52 in 1996-97 as adjusted to the district's or intermediate district's necessary costs of special education used in calculations for the fiscal year. This adjustment is to reflect reductions in special education program operations or services between 1996-97 and subsequent fiscal years. Adjustments for reductions in special education program operations or services shall be made in a manner determined by the department and shall include adjustments for program or service shifts.

(4) If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) is not sufficient to fulfill the specified percentages in subsection (2), then the shortfall shall be paid to the district or intermediate district during the fiscal year beginning on the October 1 following the determination and payments under subsection (3) shall be adjusted as necessary. If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) exceeds the sum of the amount necessary to fulfill the specified percentages in subsection (2), then the department shall deduct the amount of the excess from the district's or intermediate district's payments under this act for the fiscal year beginning on the October 1 following the determination and payments under subsection (3) shall be adjusted as necessary. However, if the amount allocated under subsection (2)(a) in itself exceeds the amount necessary to fulfill the specified percentages in subsection (2), there shall be no deduction under this subsection.

(5) State funds shall be allocated on a total approved cost basis. Federal funds shall be allocated under applicable federal requirements, except that an amount not to exceed \$3,500,000.00 may be allocated by the department each fiscal year for 2009-2010 and for 2010-2011 to districts, intermediate districts, or other eligible entities on a competitive grant basis for programs, equipment, and services that the department determines to be designed to benefit or improve special education on a statewide scale.

(6) From the amount allocated in subsection (1), there is allocated each fiscal year an amount not to exceed \$2,200,000.00 for 2009-2010 and for 2010-2011 to reimburse 100% of the net increase in necessary costs incurred by a district or intermediate district in implementing the revisions in the administrative rules for special education that became effective on July 1, 1987. As used in this subsection, "net increase in necessary costs" means the necessary additional costs incurred solely because of new or revised requirements in the administrative rules minus cost savings permitted in implementing the revised rules. Net increase in necessary costs shall be determined in a manner specified by the department.

(7) For purposes of this article, all of the following apply:

(a) "Total approved costs of special education" shall be determined in a manner specified by the department and may include indirect costs, but shall not exceed 115% of approved direct costs for section 52 and section 53a programs. The total approved costs include salary and other compensation for all approved special education personnel for the program, including payments for social security and medicare and public school employee retirement system contributions. The total approved costs do not include salaries or other compensation paid to administrative personnel who are not special education personnel as defined in section 6 of the revised school code, MCL 380.6. Costs reimbursed by federal funds, other than those federal funds included in the allocation made under this article, are not included. Special education approved personnel not utilized full time in the evaluation of students or in the delivery of special education programs, ancillary, and other related services shall be reimbursed under this section only for that portion of time actually spent providing these programs and services, with the exception of special education programs and services provided to youth placed in child caring institutions or juvenile detention programs approved by the department to provide an on-grounds education program.

(b) Beginning with the 2004-2005 fiscal year, a district or intermediate district that employed special education support services staff to provide special education support services in 2003-2004 or in a subsequent fiscal year and that in a fiscal year after 2003-2004 receives the same type of support services from another district or intermediate district

shall report the cost of those support services for special education reimbursement purposes under this act. This subdivision does not prohibit the transfer of special education classroom teachers and special education classroom aides if the pupils counted in membership associated with those special education classroom teachers and special education classroom aides are transferred and counted in membership in the other district or intermediate district in conjunction with the transfer of those teachers and aides.

(c) If the department determines before bookclosing for a fiscal year that the amounts allocated for that fiscal year under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56 will exceed expenditures for that fiscal year under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56, then for a district or intermediate district whose reimbursement for that fiscal year would otherwise be affected by subdivision (b), subdivision (b) does not apply to the calculation of the reimbursement for that district or intermediate district and reimbursement for that district or intermediate district shall be calculated in the same manner as it was for 2003-2004. If the amount of the excess allocations under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56 is not sufficient to fully fund the calculation of reimbursement to those districts and intermediate districts under this subdivision, then the calculations and resulting reimbursement under this subdivision shall be prorated on an equal percentage basis.

(d) Reimbursement for ancillary and other related services, as defined by R 340.1701c of the Michigan administrative code, shall not be provided when those services are covered by and available through private group health insurance carriers or federal reimbursed program sources unless the department and district or intermediate district agree otherwise and that agreement is approved by the state budget director. Expenses, other than the incidental expense of filing, shall not be borne by the parent. In addition, the filing of claims shall not delay the education of a pupil. A district or intermediate district shall be responsible for payment of a deductible amount and for an advance payment required until the time a claim is paid.

(e) Beginning with calculations for 2004-2005, if an intermediate district purchases a special education pupil transportation service from a constituent district that was previously purchased from a private entity; if the purchase from the constituent district is at a lower cost, adjusted for changes in fuel costs; and if the cost shift from the intermediate district to the constituent does not result in any net change in the revenue the constituent district receives from payments under sections 22b and 51c, then upon application by the intermediate district, the department shall direct the intermediate district to continue to report the cost associated with the specific identified special education pupil transportation service and shall adjust the costs reported by the constituent district to remove the cost associated with that specific service.

(8) From the allocation in subsection (1), there is allocated each fiscal year for 2009-2010 and for 2010-2011 an amount not to exceed \$15,313,900.00 to intermediate districts. The payment under this subsection to each intermediate district shall be equal to the amount of the 1996-97 allocation to the intermediate district under subsection (6) of this section as in effect for 1996-97.

(9) A pupil who is enrolled in a full-time special education program conducted or administered by an intermediate district or a pupil who is enrolled in the Michigan schools for the deaf and blind shall not be included in the membership count of a district, but shall be counted in membership in the intermediate district of residence.

(10) Special education personnel transferred from 1 district to another to implement the revised school code shall be entitled to the rights, benefits, and tenure to which the person would otherwise be entitled had that person been employed by the receiving district originally.

(11) If a district or intermediate district uses money received under this section for a purpose other than the purpose or purposes for which the money is allocated, the department may require the district or intermediate district to refund the amount of money received. Money that is refunded shall be deposited in the state treasury to the credit of the state school aid fund.

(12) From the funds allocated in subsection (1), there is allocated each fiscal year the amount necessary, estimated at \$7,800,000.00 for 2009-2010 and estimated at \$6,600,000.00 for 2010-2011, to pay the foundation allowances for pupils described in this subsection. The allocation to a district under this subsection shall be calculated by multiplying the number of pupils described in this subsection who are counted in membership in the district times the sum of the foundation allowance under section 20 of the pupil's district of residence plus the amount of the district's per pupil allocation under section 20j(2), not to exceed the basic foundation allowance under section 20 for the current fiscal year, or, for a pupil described in this subsection who is counted in membership in a district that is a public school academy or university school, times an amount equal to the amount per membership pupil under section 20(6). The allocation to an intermediate district under this subsection shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year, and that district's per pupil allocation under section 20j(2). This subsection applies to all of the following pupils:

(a) Pupils described in section 53a.

(b) Pupils counted in membership in an intermediate district who are not special education pupils and are served by the intermediate district in a juvenile detention or child caring facility.

(c) Emotionally impaired pupils counted in membership by an intermediate district and provided educational services by the department of community health.

(13) If it is determined that funds allocated under subsection (2) or (12) or under section 51c will not be expended, funds up to the amount necessary and available may be used to supplement the allocations under subsection (2) or (12) or under section 51c in order to fully fund those allocations. After payments under subsections (2) and (12) and section 51c, the remaining expenditures from the allocation in subsection (1) shall be made in the following order:

- (a) 100% of the reimbursement required under section 53a.
- (b) 100% of the reimbursement required under subsection (6).
- (c) 100% of the payment required under section 54.
- (d) 100% of the payment required under subsection (3).
- (e) 100% of the payment required under subsection (8).
- (f) 100% of the payments under section 56.

(14) The allocations under subsections (2), (3), and (12) shall be allocations to intermediate districts only and shall not be allocations to districts, but instead shall be calculations used only to determine the state payments under section 22b.

(15) If a public school academy enrolls pursuant to this section a pupil who resides outside of the intermediate district in which the public school academy is located and who is eligible for special education programs and services according to statute or rule, or who is a child with disabilities, as defined under the individuals with disabilities education act, Public Law 108-446, the provision of special education programs and services and the payment of the added costs of special education programs and services for the pupil are the responsibility of the district and intermediate district in which the pupil resides unless the enrolling district or intermediate district has a written agreement with the district or intermediate district in which the pupil resides or the public school academy for the purpose of providing the pupil with a free appropriate public education and the written agreement includes at least an agreement on the responsibility for the payment of the added costs of special education programs and services for the pupil.

Sec. 51c. As required by the court in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492, from the allocation under section 51a(1), there is allocated each fiscal year for 2009-2010 and for 2010-2011 the amount necessary, estimated at \$702,500,000.00 for 2009-2010 and estimated at \$732,100,000.00 for 2010-2011, for payments to reimburse districts for 28.6138% of total approved costs of special education excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 22b in order to fully fund those calculated allocations for the same fiscal year.

Sec. 51d. (1) From the federal funds appropriated in section 11, there is allocated for 2010-2011 all available federal funding, estimated at \$74,000,000.00, for special education programs that are funded by federal grants. All federal funds allocated under this section shall be distributed in accordance with federal law. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(2) From the federal funds allocated under subsection (1), the following amounts are allocated for 2010-2011:

(a) An amount estimated at \$15,000,000.00 for handicapped infants and toddlers, funded from DED-OSERS, handicapped infants and toddlers funds.

(b) An amount estimated at \$14,000,000.00 for preschool grants (Public Law 94-142), funded from DED-OSERS, handicapped preschool incentive funds.

(c) An amount estimated at \$45,000,000.00 for special education programs funded by DED-OSERS, handicapped program, individuals with disabilities act funds.

(3) As used in this section, "DED-OSERS" means the United States department of education office of special education and rehabilitative services.

Sec. 53a. (1) For districts, reimbursement for pupils described in subsection (2) shall be 100% of the total approved costs of operating special education programs and services approved by the department and included in the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766, minus the district's foundation allowance calculated under section 20, and minus the amount calculated for the district under section 20j. For intermediate districts, reimbursement for pupils described in subsection (2) shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year, and under section 20j.

(2) Reimbursement under subsection (1) is for the following special education pupils:

(a) Pupils assigned to a district or intermediate district through the community placement program of the courts or a state agency, if the pupil was a resident of another intermediate district at the time the pupil came under the jurisdiction of the court or a state agency.

(b) Pupils who are residents of institutions operated by the department of community health.

(c) Pupils who are former residents of department of community health institutions for the developmentally disabled who are placed in community settings other than the pupil's home.

(d) Pupils enrolled in a department-approved on-grounds educational program longer than 180 days, but not longer than 233 days, at a residential child care institution, if the child care institution offered in 1991-92 an on-grounds educational program longer than 180 days but not longer than 233 days.

(e) Pupils placed in a district by a parent for the purpose of seeking a suitable home, if the parent does not reside in the same intermediate district as the district in which the pupil is placed.

(3) Only those costs that are clearly and directly attributable to educational programs for pupils described in subsection (2), and that would not have been incurred if the pupils were not being educated in a district or intermediate district, are reimbursable under this section.

(4) The costs of transportation shall be funded under this section and shall not be reimbursed under section 58.

(5) Not more than \$13,500,000.00 of the allocation for 2010-2011 in section 51a(1) shall be allocated under this section.

Sec. 54. Each intermediate district shall receive an amount per pupil for each pupil in attendance at the Michigan schools for the deaf and blind. The amount shall be proportionate to the total instructional cost at each school. Not more than \$1,688,000.00 of the allocation for 2010-2011 in section 51a(1) shall be allocated under this section.

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

(a) "Membership" means for a particular fiscal year the total membership for the immediately preceding fiscal year of the intermediate district and the districts constituent to the intermediate district.

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

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

(2) From the allocation under section 51a(1), there is allocated an amount not to exceed \$36,881,100.00 each fiscal year for 2009-2010 and for 2010-2011 to reimburse intermediate districts levying millages for special education pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by these millages and governed by the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. As a condition of receiving funds under this section, an intermediate district distributing any portion of special education millage funds to its constituent districts shall submit for departmental approval and implement a distribution plan.

(3) Reimbursement for those millages levied in 2008-2009 shall be made in 2009-2010 at an amount per 2008-2009 membership pupil computed by subtracting from \$180,600.00 the 2008-2009 taxable value behind each membership pupil and multiplying the resulting difference by the 2008-2009 millage levied. Reimbursement for those millages levied in 2009-2010 shall be made in 2010-2011 at an amount per 2009-2010 membership pupil computed by subtracting from \$181,700.00 the 2009-2010 taxable value behind each membership pupil and multiplying the resulting difference by the 2009-2010 millage levied.

Sec. 61a. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$26,611,300.00 for 2010-2011 to reimburse on an added cost basis districts, except for a district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year, and secondary area vocational-technical education centers for secondary-level career and technical education programs according to rules approved by the superintendent. Applications for participation in the programs shall be submitted in the form prescribed by the department. The department shall determine the added cost for each career and technical education program area. The allocation of added cost funds shall be based on the type of career and technical education programs provided, the number of pupils enrolled, and the length of the training period provided, and shall not exceed 75% of the added cost of any program. With the approval of the department, the board of a district maintaining a secondary career and technical education program may offer the program for the period from the close of the school year until September 1. The program shall use existing facilities and shall be operated as prescribed by rules promulgated by the superintendent.

(2) Except for a district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year, districts and intermediate districts shall be reimbursed for local career and technical education administration, shared time career and technical education administration, and career education planning district career and technical education administration. The definition of what constitutes administration and reimbursement shall be pursuant to guidelines adopted by the superintendent. Not more than \$800,000.00 of the allocation in subsection (1) shall be distributed under this subsection.

Sec. 62. (1) For the purposes of this section:

(a) "Membership" means for a particular fiscal year the total membership for the immediately preceding fiscal year of the intermediate district and the districts constituent to the intermediate district or the total membership for the immediately preceding fiscal year of the area vocational-technical program.

(b) "Millage levied" means the millage levied for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, including a levy for debt service obligations incurred as the result of borrowing for capital outlay projects and in meeting capital projects fund requirements of area vocational-technical education.

(c) "Taxable value" means the total taxable value of the districts constituent to an intermediate district or area vocational-technical education program, except that if a district has elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, the membership and taxable value of that district shall not be included in the membership and taxable value of the intermediate district. However, the membership and taxable value of a district that has elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, shall be included in the membership and taxable value of the intermediate district if the district meets both of the following:

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

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

(2) From the appropriation in section 11, there is allocated an amount not to exceed \$9,000,000.00 each fiscal year for 2009-2010 and for 2010-2011 to reimburse intermediate districts and area vocational-technical education programs established under section 690(3) of the revised school code, MCL 380.690, levying millages for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by those millages.

(3) Reimbursement for the millages levied in 2008-2009 shall be made in 2009-2010 at an amount per 2008-2009 membership pupil computed by subtracting from \$191,000.00 the 2008-2009 taxable value behind each membership pupil and multiplying the resulting difference by the 2008-2009 millage levied. Reimbursement for the millages levied in 2009-2010 shall be made in 2010-2011 at an amount per 2009-2010 membership pupil computed by subtracting from \$194,700.00 the 2009-2010 taxable value behind each membership pupil and multiplying the resulting difference by the 2009-2010 millage levied.

Sec. 64. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$2,000,000.00 for 2010-2011 for grants to intermediate districts or a district of the first class that are in consortium with a community college or state public university and a hospital or other appropriate entity to create and implement a middle college focused on the field of health sciences or other field approved by the superintendent of public instruction.

(2) Awards shall be made in a manner and form as determined by the department; however, at a minimum, eligible consortia funded under this section shall ensure the middle college provides all of the following:

(a) Outreach programs to provide information to middle school and high school students about career opportunities in the health sciences field or other field approved by the superintendent of public instruction.

(b) An individualized education plan for each pupil enrolled in the program.

(c) Curriculum that includes entry-level college courses.

(d) Clinical rotations that provide opportunities for pupils to observe careers in the health sciences or other field approved by the superintendent of public instruction.

(e) Instruction in mathematics, science, and language arts that is integrated, where appropriate, into the courses in the approved field.

(3) For the purposes of this section, "middle college" means a series of courses and other requirements and conditions established by the consortium that allow a pupil to graduate with a high school diploma and a certificate or degree from a community college or state public university.

(4) Beginning in 2006-2007, a district or intermediate district may receive a grant under this section for up to 4 consecutive fiscal years. For the first 2 fiscal years of the grant period, the grant amount shall be 100% of the award

determined by the department. For each of the remaining 2 fiscal years of the grant period, the grant amount shall be an amount equal to 50% of the recipient's grant amount for the previous fiscal year.

Sec. 65. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$905,100.00 for 2010-2011 for grants to districts or intermediate districts, as determined by the department, for eligible precollege programs in engineering and the sciences.

(2) From the funds allocated under subsection (1), the department shall award \$680,100.00 for 2010-2011 to the 2 eligible existing programs that received funds appropriated for these purposes in the appropriations act containing the department of energy, labor, and economic growth budget for 2005-2006.

(3) From the funds allocated under subsection (1), the department shall award \$225,000.00 for 2010-2011 to eligible intermediate districts for programs to train pupils in alternative energy. The department shall award \$75,000.00 to each eligible intermediate district. The intermediate district shall use the funds for engineering and sciences programs with industry level partnerships that are in proximity to renewable energy facilities. To be eligible for funds under this subsection, an intermediate district must meet all of the following requirements:

(a) The combined total 2007-2008 pupil membership for all of its constituent districts was less than 20,000 pupils.

(b) Levied at least .11 but not more than .19 operating mills in 2007-2008.

(c) Had a 2007 taxable value greater than \$1,500,000,000.00.

(d) At least 28% of the combined total number of pupils in membership for all of its constituent districts were eligible for free or reduced-price lunch for 2007-2008.

(e) Is contiguous to at least 1 other intermediate district that meets the requirements of subdivisions (a) to (d).

(4) The department shall submit a report to the appropriations subcommittees responsible for this act, to the state budget director, and to the house and senate fiscal agencies by February 1, 2011 regarding dropout rates, grade point averages, enrollment in science, engineering, and math-based curricula, and employment in science, engineering, and mathematics-based fields for pupils who were enrolled in the programs awarded funds under subsection (2) or under preceding legislation. The report shall continue to evaluate the effectiveness of the precollege programs in engineering and sciences funded under this section.

(5) Notwithstanding section 17b, payments under this section shall be paid on a schedule and in a manner determined by the department.

Sec. 74. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed \$3,028,500.00 for 2009-2010 and there is allocated an amount not to exceed \$2,058,800.00 for 2010-2011 for the purposes of this section.

(2) From the allocation in subsection (1), there is allocated for each fiscal year the amount necessary for payments to state supported colleges or universities and intermediate districts providing school bus driver safety instruction pursuant to section 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The payments shall be in an amount determined by the department not to exceed 75% of the actual cost of instruction and driver compensation for each public or nonpublic school bus driver attending a course of instruction. For the purpose of computing compensation, the hourly rate allowed each school bus driver shall not exceed the hourly rate received for driving a school bus. Reimbursement compensating the driver during the course of instruction shall be made by the department to the college or university or intermediate district providing the course of instruction.

(3) From the allocation in subsection (1), there is allocated each fiscal year the amount necessary to pay the reasonable costs of nonspecial education auxiliary services transportation provided pursuant to section 1323 of the revised school code, MCL 380.1323. Districts funded under this subsection shall not receive funding under any other section of this act for nonspecial education auxiliary services transportation.

(4) From the funds allocated in subsection (1), there is allocated an amount not to exceed \$1,403,500.00 for 2009-2010 and an amount not to exceed \$433,800.00 for 2010-2011 for reimbursement to districts and intermediate districts for costs associated with the inspection of school buses and pupil transportation vehicles by the department of state police as required under section 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil transportation act, 1990 PA 187, MCL 257.1839. The department of state police shall prepare a statement of costs attributable to each district for which bus inspections are provided and submit it to the department and to each affected district in a time and manner determined jointly by the department and the department of state police. The department shall reimburse each district and intermediate district for costs detailed on the statement within 30 days after receipt of the statement. Districts for which services are provided shall make payment in the amount specified on the statement to the department of state police within 45 days after receipt of the statement. The total reimbursement of costs under this subsection shall not exceed the amount allocated under this subsection. Notwithstanding section 17b, payments to eligible entities under this subsection shall be paid on a schedule prescribed by the department.

Sec. 81. (1) Except as otherwise provided in this section, from the appropriation in section 11, there is allocated each fiscal year for 2009-2010 and for 2010-2011 to the intermediate districts the sum necessary, but not to exceed \$67,776,800.00

for 2009-2010 and not to exceed \$65,376,800.00 for 2010-2011, to provide state aid to intermediate districts under this section. Except as otherwise provided in this section, there shall be allocated to each intermediate district for 2009-2010 an amount equal to 82.9% of the amount allocated under this subsection for 2008-2009 and for 2010-2011 an amount equal to 80% of the amount allocated under this subsection for 2008-2009. Funding provided under this section shall be used to comply with requirements of this act and the revised school code that are applicable to intermediate districts, and for which funding is not provided elsewhere in this act, and to provide technical assistance to districts as authorized by the intermediate school board.

(2) Intermediate districts receiving funds under this section shall collaborate with the department to develop expanded professional development opportunities for teachers to update and expand their knowledge and skills needed to support the Michigan merit curriculum.

(3) From the allocation in subsection (1), there is allocated to an intermediate district, formed by the consolidation or annexation of 2 or more intermediate districts or the attachment of a total intermediate district to another intermediate school district or the annexation of all of the constituent K-12 districts of a previously existing intermediate school district which has disorganized, an additional allotment of \$3,500.00 each fiscal year for each intermediate district included in the new intermediate district for 3 years following consolidation, annexation, or attachment.

(4) During a fiscal year, the department shall not increase an intermediate district's allocation under subsection (1) because of an adjustment made by the department during the fiscal year in the intermediate district's taxable value for a prior year. Instead, the department shall report the adjustment and the estimated amount of the increase to the house and senate fiscal agencies and the state budget director not later than June 1 of the fiscal year, and the legislature shall appropriate money for the adjustment in the next succeeding fiscal year.

(5) In order to receive funding under this section, an intermediate district shall do all of the following:

(a) Demonstrate to the satisfaction of the department that the intermediate district employs at least 1 person who is trained in pupil counting procedures, rules, and regulations.

(b) Demonstrate to the satisfaction of the department that the intermediate district employs at least 1 person who is trained in rules, regulations, and district reporting procedures for the individual-level student data that serves as the basis for the calculation of the district and high school graduation and dropout rates.

(c) Comply with sections 1278a and 1278b of the revised school code, MCL 380.1278a and 380.1278b.

(d) Furnish data and other information required by state and federal law to the center and the department in the form and manner specified by the center or the department, as applicable.

(e) Comply with section 1230g of the revised school code, MCL 380.1230g.

(f) Comply with section 761 of the revised school code, MCL 380.761.

(6) If the amount of the allocation to intermediate districts under subsection (1) is reduced in a fiscal year after 2010-2011 from the amount of that allocation for 2010-2011, that reduced allocation shall not result in an intermediate district's allocation being less than the funding actually received by or paid on behalf of the intermediate district for the 1995-96 fiscal year under former section 146a(1) and section 147(1), as those sections were in effect for the 1995-96 fiscal year.

Sec. 92. From the state school aid fund money appropriated in section 11, there is allocated for 2010-2011 an amount not to exceed \$300,000.00 to Saginaw valley state university to begin an agricultural degree program that focuses on agriscience education, agricultural business, and agricultural communications.

Sec. 94a. (1) There is created within the state budget office in the department of technology, management, and budget the center for educational performance and information. The center shall do all of the following:

(a) Coordinate the collection of all data required by state and federal law from districts, intermediate districts, and postsecondary institutions.

(b) Create, maintain, and enhance this state's statewide longitudinal data system and ensure that it meets the requirements of subsection (6).

(c) Collect data in the most efficient manner possible in order to reduce the administrative burden on reporting entities, including, but not limited to, electronic transcript services.

(d) Create, maintain, and enhance this state's web-based educational portal to provide information to school leaders, teachers, researchers, and the public in compliance with all federal and state privacy laws. Data shall include, but are not limited to, all of the following:

(i) Data sets that link teachers to student information, allowing districts to assess individual teacher impact on student performance and consider student growth factors in teacher and principal evaluation systems.

(ii) Data access or, if practical, data sets, provided for regional data warehouses that, in combination with local data, can improve teaching and learning in the classroom.

(iii) Research-ready data sets for researchers to perform research that advances this state's educational performance.

(e) Provide data in a useful manner to allow state and local policymakers to make informed policy decisions.

(f) Provide public reports to the citizens of this state to allow them to assess allocation of resources and the return on their investment in the education system of this state.

(g) Other functions as assigned by the state budget director.

(2) Each state department, officer, or agency that collects information from districts, intermediate districts, or postsecondary institutions as required under state or federal law shall make arrangements with the center to ensure that the state department, officer, or agency is in compliance with subsection (1). This subsection does not apply to information collected by the department of treasury under the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to 388.1939; or section 1351a of the revised school code, MCL 380.1351a.

(3) The state budget director shall appoint a CEPI advisory committee to provide advice to the director. The CEPI advisory committee shall consist of the following members:

(a) One representative from the house fiscal agency.

(b) One representative from the senate fiscal agency.

(c) One representative from the state budget office.

(d) One representative from the state education agency.

(e) One representative each from the department of energy, labor, and economic growth and the department of treasury.

(f) Three representatives from intermediate school districts.

(g) One representative from each of the following educational organizations:

(i) Michigan association of school boards.

(ii) Michigan association of school administrators.

(iii) Michigan school business officials.

(h) One representative representing private sector firms responsible for auditing school records.

(i) Other representatives as the state budget director determines are necessary.

(4) The CEPI advisory committee appointed under subsection (3) shall provide advice to the director of the center regarding the management of the center's data collection activities, including, but not limited to:

(a) Determining what data is necessary to collect and maintain in order to perform the center's functions in the most efficient manner possible.

(b) Defining the roles of all stakeholders in the data collection system.

(c) Recommending timelines for the implementation and ongoing collection of data.

(d) Establishing and maintaining data definitions, data transmission protocols, and system specifications and procedures for the efficient and accurate transmission and collection of data.

(e) Establishing and maintaining a process for ensuring the reasonable accuracy of the data.

(f) Establishing and maintaining state and model local policies related to data collection, including, but not limited to, privacy policies related to individual student data. These privacy policies shall ensure that a student's social security number is not released to the public for any purpose.

(g) Working with stakeholders to develop a state research agenda.

(h) Other matters as determined by the state budget director or the director of the center.

(5) The center may enter into any interlocal agreements necessary to fulfill its functions.

(6) The center shall ensure that the statewide longitudinal data system required under subsection (1)(b) meets all of the following:

(a) Includes data at the individual student level from preschool through postsecondary education and into the workforce.

(b) Supports interoperability by using standard data structures, data formats, and data definitions to ensure linkage and connectivity in a manner that facilitates the exchange of data among agencies and institutions within the state and between states.

(c) Enables the matching of individual teacher and student records so that an individual student may be matched with those teachers providing instruction to that student.

(d) Enables the matching of individual teachers with information about their certification and the institutions that prepared and recommended those teachers for state certification.

- (e) Enables data to be easily generated for continuous improvement and decision-making, including timely reporting to parents, teachers, and school leaders on student achievement.
  - (f) Ensures the reasonable quality, validity, and reliability of data contained in the system.
  - (g) Provides this state with the ability to meet federal and state reporting requirements.
  - (h) For data elements related to preschool through grade 12 and postsecondary, meets all of the following:
    - (i) Contains a unique statewide student identifier that does not permit a student to be individually identified by users of the system, except as allowed by federal and state law.
    - (ii) Contains student-level enrollment, demographic, and program participation information.
    - (iii) Contains student-level information about the points at which students exit, transfer in, transfer out, drop out, or complete education programs.
    - (iv) Has the capacity to communicate with higher education data systems.
  - (i) For data elements related to preschool through grade 12 only, meets all of the following:
    - (i) Contains yearly test records of individual students for assessments approved by DED-OESE for accountability purposes under section 1111(b) of the elementary and secondary education act of 1965, 20 USC 6311, including information on individual students not tested, by grade and subject.
    - (ii) Contains student-level transcript information, including information on courses completed and grades earned.
    - (iii) Contains student-level college readiness test scores.
  - (j) For data elements related to postsecondary education only:
    - (i) Contains data that provide information regarding the extent to which individual students transition successfully from secondary school to postsecondary education, including, but not limited to, all of the following:
      - (A) Enrollment in remedial coursework.
      - (B) Completion of 1 year's worth of college credit applicable to a degree within 2 years of enrollment.
    - (ii) Contains data that provide other information determined necessary to address alignment and adequate preparation for success in postsecondary education.
- (7) From the general fund appropriation in section 11, there is allocated an amount not to exceed \$3,486,100.00 for 2009-2010 and, subject to subsection (9), an amount not to exceed \$3,621,100.00 for 2010-2011 to the department of technology, management, and budget to support the operations of the center. In addition, from the federal funds appropriated in section 11 there is allocated each fiscal year for 2009-2010 and 2010-2011 the amount necessary, estimated at \$13,416,600.00 for 2009-2010 and estimated at \$10,067,800.00 for 2010-2011, to support the operations of the center. The center shall cooperate with the state education agency to ensure that this state is in compliance with federal law and is maximizing opportunities for increased federal funding to improve education in this state.
- (8) From the federal funds allocated in subsection (7), there is allocated for 2009-2010 an amount not to exceed \$750,000.00 and for 2010-2011 an amount not to exceed \$850,000.00 funded from the competitive grants of DED-OESE, title II, educational technology funds for the purposes of this subsection. Not later than November 30 of each fiscal year, the department shall award a single grant to an eligible partnership that includes an intermediate district with at least 1 high-need local school district and the center.
- (9) If the department reports to the chairpersons of the house and senate appropriations subcommittees responsible for this act, to the house and senate fiscal agencies, and to the state budget director that the department has been notified that this state has not been awarded a competitive grant from the federal incentive grant program created under sections 14005 and 14006 of title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5, known as the "race to the top" grant program, then in addition to the amount allocated under subsection (7) there is also allocated from the general fund money appropriated in section 11 for 2010-2011 an additional amount not to exceed \$1,800,000.00 for the purpose of establishing a longitudinal data system as provided under this section in compliance with the assurance provided to the federal department of education in order to receive state fiscal stabilization funds. In addition, there is allocated for 2010-2011 from the state school aid fund money appropriated under section 11 an amount not to exceed \$8,440,000.00 to support the efforts of districts to match individual teacher and student records. The funds shall be distributed to districts in an amount and manner determined by the center.
- (10) From the federal funds allocated in subsection (7), there is allocated for 2009-2010 an amount not to exceed \$1,114,000.00 and for 2010-2011 an amount not to exceed \$242,000.00 to support the efforts of postsecondary institutions to comply with the requirements of this state's statewide longitudinal data system. The funds shall be distributed to postsecondary institutions in an amount and manner determined by the center.
- (11) The center and the department shall work cooperatively to develop a cost allocation plan that pays for center expenses from the appropriate federal fund and state restricted fund revenues.

(12) Funds allocated under this section that are not expended in the fiscal year in which they were allocated may be carried forward to a subsequent fiscal year and are appropriated for the purposes for which the funds were originally allocated.

(13) The center may bill departments as necessary in order to fulfill reporting requirements of state and federal law. The center may also enter into agreements to supply custom data, analysis, and reporting to other principal executive departments, state agencies, local units of government, and other individuals and organizations. The center may receive and expend funds in addition to those authorized in subsection (7) to cover the costs associated with salaries, benefits, supplies, materials, and equipment necessary to provide such data, analysis, and reporting services.

(14) As used in this section:

(a) "DED-OESE" means the United States department of education office of elementary and secondary education.

(b) "High-need local school district" means a local educational agency as defined in the enhancing education through technology part of the no child left behind act of 2001, Public Law 107-110.

(c) "State education agency" means the department.

Sec. 98. (1) From the general fund money appropriated in section 11, there is allocated an amount not to exceed \$1,687,500.00 for 2010-2011 to provide a grant to the Michigan virtual university for the development, implementation, and operation of the Michigan virtual high school; to provide professional development opportunities for educators; and to fund other purposes described in this section. In addition, from the federal funds appropriated in section 11, there is allocated for 2010-2011 an amount estimated at \$2,700,000.00.

(2) The Michigan virtual high school shall have the following goals:

(a) Significantly expand curricular offerings for high schools across this state through agreements with districts or licenses from other recognized providers.

(b) Create statewide instructional models using interactive multimedia tools delivered by electronic means, including, but not limited to, the internet, digital broadcast, or satellite network, for distributed learning at the high school level.

(c) Provide pupils with opportunities to develop skills and competencies through online learning.

(d) Grant high school diplomas through a dual enrollment method with districts.

(e) Act as a broker for college level equivalent courses, as defined in section 1471 of the revised school code, MCL 380.1471, and dual enrollment courses from postsecondary education institutions.

(f) Maintain the accreditation status of the Michigan virtual high school from recognized national and international accrediting entities.

(3) The Michigan virtual high school course offerings shall include, but are not limited to, all of the following:

(a) Information technology courses.

(b) College level equivalent courses, as defined in section 1471 of the revised school code, MCL 380.1471.

(c) Courses and dual enrollment opportunities.

(d) Programs and services for at-risk pupils.

(e) General education development test preparation courses for adjudicated youth.

(f) Special interest courses.

(g) Professional development programs that teach Michigan educators how to develop and deliver online instructional services.

(4) From the federal funds allocated in subsection (1), there is allocated for 2010-2011 an amount estimated at \$1,700,000.00 from DED-OESE, title II, improving teacher quality funds for a grant to the Michigan virtual university for the purpose of this subsection. With the approval of the department, the Michigan virtual university shall coordinate the following activities related to DED-OESE, title II, improving teacher quality funds in accordance with federal law:

(a) Develop, and assist districts in the development and use of, proven, innovative strategies to deliver intensive professional development programs that are both cost-effective and easily accessible, such as strategies that involve delivery through the use of technology, peer networks, and distance learning.

(b) Encourage and support the training of teachers and administrators to effectively integrate technology into curricula and instruction.

(c) Coordinate the activities of eligible partnerships that include higher education institutions for the purposes of providing professional development activities for teachers, paraprofessionals, and principals as defined in federal law.

(d) Offer teachers opportunities to learn new skills and strategies for developing and delivering instructional services.

(e) Provide online professional development opportunities for educators to update and expand knowledge and skills needed to support the Michigan merit curriculum core content standards and credit requirements.

(5) The Michigan virtual university shall offer at least 200 hours of online professional development for classroom teachers under this section each fiscal year beginning in 2006-2007 without charge to the teachers or to districts or intermediate districts.

(6) From the federal funds appropriated in subsection (1), there is allocated for 2010-2011 an amount estimated at \$1,000,000.00 from the DED-OESE, title II, educational technology grant funds to support e-learning and virtual school initiatives consistent with the goals contained in the United States national educational technology plan issued in January 2005. These funds shall be used to support activities designed to build the capacity of the Michigan virtual university and shall not be used to supplant other funding. Not later than November 30, 2010, from the funds allocated in this subsection, the department shall award a single grant of \$1,000,000.00 to a consortium or partnership established by the Michigan virtual university that meets the requirements of this subsection. To be eligible for this funding, a consortium or partnership established by the Michigan virtual university shall include at least 1 intermediate district and at least 1 high-need local district. All of the following apply to this funding:

(a) An eligible consortium or partnership must demonstrate the following:

(i) Prior success in delivering online courses and instructional services to K-12 pupils throughout this state.

(ii) Expertise in designing, developing, and evaluating online K-12 course content.

(iii) Experience in maintaining a statewide help desk service for pupils, online teachers, and other school personnel.

(iv) Knowledge and experience in providing technical assistance and support to K-12 schools in the area of online education.

(v) Experience in training and supporting K-12 educators in this state to teach online courses.

(vi) Demonstrated technical expertise and capacity in managing complex technology systems.

(vii) Experience promoting twenty-first century learning skills through the use of online technologies.

(b) The Michigan virtual university, which operates the Michigan virtual high school, shall perform the following tasks related to this funding:

(i) Strengthen its capacity by pursuing activities, policies, and practices that increase the overall number of Michigan virtual high school course enrollments and course completions by at-risk students.

(ii) Examine the curricular and specific course content needs of middle and high school students in the areas of mathematics and science.

(iii) Design, develop, and acquire online courses and related supplemental resources aligned to state standards to create a comprehensive and rigorous statewide catalog of online courses and instructional services.

(iv) Continue to evaluate and conduct pilot programs for new and innovative online tools, resources, and courses.

(v) Evaluate existing online teaching and learning practices and develop continuous improvement strategies to enhance student achievement.

(vi) Develop, support, and maintain the technology infrastructure and related software required to deliver online courses and instructional services to students statewide.

(7) If a home-schooled or nonpublic school student is a resident of a district that subscribes to services provided by the Michigan virtual high school, the student may use the services provided by the Michigan virtual high school to the district without charge to the student beyond what is charged to a district pupil using the same services.

(8) Not later than December 1, 2010, the Michigan virtual university shall provide a report to the house and senate appropriations subcommittees on state school aid, the state budget director, the house and senate fiscal agencies, and the department that includes at least all of the following information related to the Michigan virtual high school for the preceding state fiscal year:

(a) A list of the Michigan schools served by the Michigan virtual high school.

(b) A list of online course titles available to Michigan schools.

(c) The total number of online course enrollments and information on registrations and completions by course.

(d) The overall course completion rate percentage.

(e) A summary of DED-OESE, title IIA, teacher quality grant and DED-OESE, title IID, education technology grant expenditures.

(f) Identification of unmet educational needs that could be addressed by the Michigan virtual high school.

(9) As used in this section:

(a) "DED-OESE" means the United States department of education office of elementary and secondary education.

(b) "High-need local district" means a local educational agency as defined in the enhancing education through technology part of the no child left behind act of 2001, Public Law 107-110.

(c) "State education agency" means the department.

Sec. 99. (1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed \$2,515,000.00 for 2010-2011 and from the general fund appropriation in section 11, there is allocated an amount not to exceed \$110,000.00 for 2010-2011 to support the activities and programs of mathematics and science centers and for other purposes as described in this section. In addition, from the federal funds appropriated in section 11, there is allocated for 2010-2011 an amount estimated at \$5,249,300.00 from DED-OESE, title II, mathematics and science partnership grants.

(2) Within a service area designated locally, approved by the department, and consistent with the comprehensive master plan for mathematics and science centers developed by the department and approved by the state board, an established mathematics and science center shall provide 2 or more of the following 6 basic services, as described in the master plan, to constituent districts and communities: leadership, pupil services, curriculum support, community involvement, professional development, and resource clearinghouse services.

(3) The department shall not award a state grant under this section to more than 1 mathematics and science center located in a designated region as prescribed in the 2007 master plan unless each of the grants serves a distinct target population or provides a service that does not duplicate another program in the designated region.

(4) As part of the technical assistance process, the department shall provide minimum standard guidelines that may be used by the mathematics and science center for providing fair access for qualified pupils and professional staff as prescribed in this section.

(5) Allocations under this section to support the activities and programs of mathematics and science centers shall be continuing support grants to all 33 established mathematics and science centers. Each established mathematics and science center that was funded in 2009-2010 shall receive state funding in an amount equal to 100% of the amount it was allocated under this subsection for 2009-2010. If a center declines state funding or a center closes, the remaining money available under this section shall be distributed to the remaining centers, as determined by the department.

(6) From the funds allocated in subsection (1), there is allocated for 2010-2011 an amount not to exceed \$750,000.00 in a form and manner determined by the department to those centers able to provide curriculum and professional development support to assist districts in implementing the Michigan merit curriculum components for mathematics and science. Funding under this subsection is in addition to funding allocated under subsection (5).

(7) In order to receive state or federal funds under this section, a grant recipient shall allow access for the department or the department's designee to audit all records related to the program for which it receives such funds. The grant recipient shall reimburse the state for all disallowances found in the audit.

(8) Not later than September 30, 2013, the department shall reevaluate and update the comprehensive master plan described in subsection (1).

(9) The department shall give preference in awarding the federal grants allocated in subsection (1) to eligible existing mathematics and science centers.

(10) In order to receive state funds under this section, a grant recipient shall provide at least a 10% local match from local public or private resources for the funds received under this section.

(11) As used in this section:

(a) "DED" means the United States department of education.

(b) "DED-OESE" means the DED office of elementary and secondary education.

Sec. 99i. (1) From the funds appropriated in section 11, there is allocated the amount of \$300,000.00 for 2010-2011 to a district that meets all of the following requirements:

(a) The district's membership is greater than 9,000 pupils.

(b) At least 60% of the pupils in the district were eligible for free or reduced lunch for 2005-2006.

(c) The district's foundation allowance for 2006-2007 was less than \$7,310.00.

(2) Funds allocated to a district under this section shall be used to expand the school-based crisis intervention project that received funds in 2005-2006 under section 304 of 2005 PA 147.

(3) Notwithstanding section 17b, payments under this section may be made pursuant to an agreement with the department.

Sec. 99p. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$100,000.00 for 2010-2011 for competitive grants to districts for programs that provide pupils with access to cultural, art, or music resources and

experiences, including zoo experiences, that are available in the community and that may promote reading, literacy, and communications skills among pupils.

(2) A district applying for a grant shall submit an application to the department in a form and manner determined by the department. To be eligible for a grant, a district shall demonstrate in its application that at least 50% of the pupils in membership in the district met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act and as reported to the department by October 31 of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year.

(3) Grant awards shall be made in a manner determined by the department. However, the department may set maximum grant amounts in a manner that maximizes the number of pupils that will be able to participate.

(4) Notwithstanding section 17b, payments to eligible districts under this section shall be paid on a schedule determined by the department.

Sec. 101. (1) To be eligible to receive state aid under this act, not later than the fifth Wednesday after the pupil membership count day and not later than the fifth Wednesday after the supplemental count day, each district superintendent shall submit to the center and the intermediate superintendent, in the form and manner prescribed by the center, the number of pupils enrolled and in regular daily attendance in the district as of the pupil membership count day and as of the supplemental count day, as applicable, for the current school year. In addition, a district maintaining school during the entire year, as provided under section 1561 of the revised school code, MCL 380.1561, shall submit to the center and the intermediate superintendent, in the form and manner prescribed by the center, the number of pupils enrolled and in regular daily attendance in the district for the current school year pursuant to rules promulgated by the superintendent. Not later than the seventh Wednesday after the pupil membership count day and not later than the seventh Wednesday after the supplemental count day, the district shall certify the data in a form and manner prescribed by the center and file the certified data with the intermediate superintendent. If a district fails to submit and certify the attendance data, as required under this subsection, the center shall notify the department and state aid due to be distributed under this act shall be withheld from the defaulting district immediately, beginning with the next payment after the failure and continuing with each payment until the district complies with this subsection. If a district does not comply with this subsection by the end of the fiscal year, the district forfeits the amount withheld. A person who willfully falsifies a figure or statement in the certified and sworn copy of enrollment shall be punished in the manner prescribed by section 161.

(2) To be eligible to receive state aid under this act, not later than the twenty-fourth Wednesday after the pupil membership count day and not later than the twenty-fourth Wednesday after the supplemental count day, an intermediate district shall submit to the center, in a form and manner prescribed by the center, the audited enrollment and attendance data for the pupils of its constituent districts and of the intermediate district. If an intermediate district fails to submit the audited data as required under this subsection, state aid due to be distributed under this act shall be withheld from the defaulting intermediate district immediately, beginning with the next payment after the failure and continuing with each payment until the intermediate district complies with this subsection. If an intermediate district does not comply with this subsection by the end of the fiscal year, the intermediate district forfeits the amount withheld.

(3) Except as otherwise provided in subsection (11), all of the following apply to the provision of pupil instruction:

(a) Except as otherwise provided in this section, each district shall provide at least 1,098 hours and, beginning in 2010-2011, the required minimum number of days of pupil instruction. For 2010-2011 and for 2011-2012, the required minimum number of days of pupil instruction is 165. Beginning in 2012-2013, the required minimum number of days of pupil instruction is 170. However, beginning in 2010-2011, a district shall not provide fewer days of pupil instruction than the district provided for 2009-2010. A district may apply for a waiver under subsection (9) from the requirements of this subdivision.

(b) Except as otherwise provided in this act, a district failing to comply with the required minimum hours and days of pupil instruction under this subsection shall forfeit from its total state aid allocation an amount determined by applying a ratio of the number of hours or days the district was in noncompliance in relation to the required minimum number of hours and days under this subsection. Not later than August 1, the board of each district shall certify to the department the number of hours and, beginning in 2010-2011, days of pupil instruction in the previous school year. If the district did not provide at least the required minimum number of hours and days of pupil instruction under this subsection, the deduction of state aid shall be made in the following fiscal year from the first payment of state school aid. A district is not subject to forfeiture of funds under this subsection for a fiscal year in which a forfeiture was already imposed under subsection (6).

(c) Hours or days lost because of strikes or teachers' conferences shall not be counted as hours or days of pupil instruction.

(d) If a collective bargaining agreement that provides a complete school calendar is in effect for employees of a district as of October 19, 2009, and if that school calendar is not in compliance with this subsection, then this subsection does not apply to that district until after the expiration of that collective bargaining agreement.

(e) Except as otherwise provided in subdivision (f), a district not having at least 75% of the district's membership in attendance on any day of pupil instruction shall receive state aid in that proportion of 1/180 that the actual percent of attendance bears to the specified percentage.

(f) At the request of a district that operates a department-approved alternative education program and that does not provide instruction for pupils in all of grades K to 12, the superintendent may grant a waiver from the requirements of subdivision (e) in order to conduct a pilot study. The waiver shall indicate that an eligible district is subject to the proration provisions of subdivision (e) only if the district does not have at least 50% of the district's membership in attendance on any day of pupil instruction. In order to be eligible for this waiver, a district must maintain records to substantiate its compliance with the following requirements during the pilot study:

(i) The district offers the minimum hours of pupil instruction as required under this section.

(ii) For each enrolled pupil, the district uses appropriate academic assessments to develop an individual education plan that leads to a high school diploma.

(iii) The district tests each pupil to determine academic progress at regular intervals and records the results of those tests in that pupil's individual education plan.

(g) The superintendent shall promulgate rules for the implementation of this subsection.

(4) Except as otherwise provided in this subsection, the first 6 days or the equivalent number of hours for which pupil instruction is not provided because of conditions not within the control of school authorities, such as severe storms, fires, epidemics, utility power unavailability, water or sewer failure, or health conditions as defined by the city, county, or state health authorities, shall be counted as hours and days of pupil instruction. With the approval of the superintendent of public instruction, the department shall count as hours and days of pupil instruction for a fiscal year not more than 6 additional days or the equivalent number of additional hours for which pupil instruction is not provided in a district after April 1 of the applicable school year due to unusual and extenuating occurrences resulting from conditions not within the control of school authorities such as those conditions described in this subsection. Subsequent such hours or days shall not be counted as hours or days of pupil instruction.

(5) A district shall not forfeit part of its state aid appropriation because it adopts or has in existence an alternative scheduling program for pupils in kindergarten if the program provides at least the number of hours required under subsection (3) for a full-time equated membership for a pupil in kindergarten as provided under section 6(4).

(6) Not later than April 15 of each fiscal year, the board of each district shall certify to the department the planned number of hours and days of pupil instruction in the district for the school year ending in the fiscal year. In addition to any other penalty or forfeiture under this section, if at any time the department determines that 1 or more of the following has occurred in a district, the district shall forfeit in the current fiscal year beginning in the next payment to be calculated by the department a proportion of the funds due to the district under this act that is equal to the proportion below the required minimum number of hours and days of pupil instruction under subsection (3), as specified in the following:

(a) The district fails to operate its schools for at least the required minimum number of hours and days of pupil instruction under subsection (3) in a school year, including hours and days counted under subsection (4).

(b) The board of the district takes formal action not to operate its schools for at least the required minimum number of hours and days of pupil instruction under subsection (3) in a school year, including hours and days counted under subsection (4).

(7) In providing the minimum number of hours and days of pupil instruction required under subsection (3), a district shall use the following guidelines, and a district shall maintain records to substantiate its compliance with the following guidelines:

(a) Except as otherwise provided in this subsection, a pupil must be scheduled for at least the required minimum number of hours of instruction, excluding study halls, or at least the sum of 90 hours plus the required minimum number of hours of instruction, including up to 2 study halls.

(b) The time a pupil is assigned to any tutorial activity in a block schedule may be considered instructional time, unless that time is determined in an audit to be a study hall period.

(c) Except as otherwise provided in this subdivision, a pupil in grades 9 to 12 for whom a reduced schedule is determined to be in the individual pupil's best educational interest must be scheduled for a number of hours equal to at least 80% of the required minimum number of hours of pupil instruction to be considered a full-time equivalent pupil. A pupil in grades 9 to 12 who is scheduled in a 4-block schedule may receive a reduced schedule under this subsection if the pupil is scheduled for a number of hours equal to at least 75% of the required minimum number of hours of pupil instruction to be considered a full-time equivalent pupil.

(d) If a pupil in grades 9 to 12 who is enrolled in a cooperative education program or a special education pupil cannot receive the required minimum number of hours of pupil instruction solely because of travel time between instructional sites during the school day, that travel time, up to a maximum of 3 hours per school week, shall be considered to be pupil instruction time for the purpose of determining whether the pupil is receiving the required minimum number of hours

of pupil instruction. However, if a district demonstrates to the satisfaction of the department that the travel time limitation under this subdivision would create undue costs or hardship to the district, the department may consider more travel time to be pupil instruction time for this purpose.

(e) In grades 7 through 12, instructional time that is part of a junior reserve officer training corps (JROTC) program shall be considered to be pupil instruction time regardless of whether the instructor is a certificated teacher if all of the following are met:

(i) The instructor has met all of the requirements established by the United States department of defense and the applicable branch of the armed services for serving as an instructor in the junior reserve officer training corps program.

(ii) The board of the district or intermediate district employing or assigning the instructor complies with the requirements of sections 1230 and 1230a of the revised school code, MCL 380.1230 and 380.1230a, with respect to the instructor to the same extent as if employing the instructor as a regular classroom teacher.

(8) Except as otherwise provided in subsection (11), the department shall apply the guidelines under subsection (7) in calculating the full-time equivalency of pupils.

(9) Upon application by the district for a particular fiscal year, the superintendent may waive for a district the minimum number of hours and days of pupil instruction requirement of subsection (3) for a department-approved alternative education program or another innovative program approved by the department, including a 4-day school week. If a district applies for and receives a waiver under this subsection and complies with the terms of the waiver, for the fiscal year covered by the waiver the district is not subject to forfeiture under this section for the specific program covered by the waiver. If the district does not comply with the terms of the waiver, the amount of the forfeiture shall be calculated based upon a comparison of the number of hours and days of pupil instruction actually provided to the minimum number of hours and days of pupil instruction required under subsection (3). Pupils enrolled in a department-approved alternative education program under this subsection shall be reported to the center in a form and manner determined by the center.

(10) A district may count up to 38 hours of qualifying professional development for teachers as hours of pupil instruction. Professional development provided online is allowable and encouraged, as long as the instruction has been approved by the district. The department shall issue a list of approved online professional development providers, which shall include the Michigan virtual university. However, if a collective bargaining agreement that provides more than 38 but not more than 51 hours of professional development for teachers is in effect for employees of a district as of October 1, 2006, then until the fiscal year that begins after the expiration of that collective bargaining agreement a district may count up to 51 hours of qualifying professional development for teachers as hours of pupil instruction. A district that elects to use this exception shall notify the department of its election. As used in this subsection, "qualifying professional development" means professional development that is focused on 1 or more of the following:

(a) Achieving or improving adequate yearly progress as defined under the no child left behind act of 2001, Public Law 107-110.

(b) Achieving accreditation or improving a school's accreditation status under section 1280 of the revised school code, MCL 380.1280.

(c) Achieving highly qualified teacher status as defined under the no child left behind act of 2001, Public Law 107-110.

(d) Integrating technology into classroom instruction.

(e) Maintaining teacher certification.

(11) Subsections (3) and (8) do not apply to a school of excellence that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551, and is in compliance with section 553a of the revised school code, MCL 380.553a.

(12) The department shall study the actual costs of providing distance learning or other alternative instructional delivery that is being used in this state and shall report on its findings to the house and senate fiscal agencies and the office of the state budget not later than September 10, 2012. Upon request by the department, a school of excellence described in subsection (11), the Michigan virtual university, or a school that receives a seat time waiver from the department under this section shall submit to the department any data requested by the department for the purposes of this study.

Sec. 104. (1) In order to receive state aid under this act, a district shall comply with sections 1249, 1278a, 1278b, 1279, 1279g, and 1280b of the revised school code, MCL 380.1249, 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from the state school aid fund money appropriated in section 11, there is allocated for 2010-2011 an amount not to exceed \$26,630,700.00 for payments on behalf of districts for costs associated with complying with those provisions of law. In addition, subject to subsection (2), from the federal funds appropriated in section 11, there is allocated for 2010-2011 an amount estimated at \$8,313,700.00, funded from DED-OESE, title VI, state assessments funds and DED-OSERS, section 504 of part B of the individuals with disabilities

education act, Public Law 94-142, plus any carryover federal funds from previous year appropriations, for the purposes of complying with the federal no child left behind act of 2001, Public Law 107-110.

(2) If the department reports to the chairpersons of the house and senate appropriations subcommittees responsible for this act, to the house and senate fiscal agencies, and to the state budget director that the department has been notified that this state has not been awarded a competitive grant from the federal incentive grant program created under sections 14005 and 14006 of title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5, known as the "race to the top" grant program, then in addition to the amount allocated from the state school aid fund in subsection (1) there is also allocated from the state school aid fund money appropriated in section 11 for 2010-2011 an additional amount not to exceed \$13,563,700.00, and the amount allocated from federal funds in subsection (1) for 2010-2011 is reduced by \$5,063,700.00.

(3) The results of each test administered as part of the Michigan educational assessment program, including tests administered to high school students, shall include an item analysis that lists all items that are counted for individual pupil scores and the percentage of pupils choosing each possible response.

(4) All federal funds allocated under this section shall be distributed in accordance with federal law and with flexibility provisions outlined in Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.

(5) Notwithstanding section 17b, payments on behalf of districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(6) As used in this section:

(a) "DED" means the United States department of education.

(b) "DED-OESE" means the DED office of elementary and secondary education.

(c) "DED-OSERS" means the DED office of special education and rehabilitative services.

Sec. 107. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$22,000,000.00 for 2010-2011 for adult education programs authorized under this section. Funds appropriated under this section are restricted for adult education programs as authorized under this section only. A recipient of funds under this section shall not use those funds for any other purpose.

(2) To be eligible for funding under this section, a program shall employ certificated teachers and qualified administrative staff and shall offer continuing education opportunities for teachers to allow them to maintain certification.

(3) To be eligible to be a participant funded under this section, a person shall be enrolled in an adult basic education program, an adult English as a second language program, a general educational development (G.E.D.) test preparation program, a job or employment related program, or a high school completion program, that meets the requirements of this section, and shall meet either of the following, as applicable:

(a) If the individual has obtained a high school diploma or a general educational development (G.E.D.) certificate, the individual meets 1 of the following:

(i) Is less than 20 years of age on September 1 of the school year and is enrolled in the Michigan career and technical institute.

(ii) Is less than 20 years of age on September 1 of the school year, is not attending an institution of higher education, and is enrolled in a job or employment-related program through a referral by an employer.

(iii) Is enrolled in an English as a second language program.

(iv) Is enrolled in a high school completion program.

(b) If the individual has not obtained a high school diploma or G.E.D. certificate, the individual meets 1 of the following:

(i) Is at least 20 years of age on September 1 of the school year.

(ii) Is at least 16 years of age on September 1 of the school year, has been permanently expelled from school under section 1311(2) or 1311a of the revised school code, MCL 380.1311 and 380.1311a, and has no appropriate alternative education program available through his or her district of residence.

(4) Except as otherwise provided in subsection (5), from the amount allocated under subsection (1), at least \$21,800,000.00 shall be distributed as follows:

(a) For districts and consortia that received payments for 2009-2010 under this section, the amount allocated to each for 2010-2011 shall be based on the number of participants served by the district or consortium for 2010-2011, using the amount allocated per full-time equated participant under subsection (7), up to a maximum total allocation under this subsection in an amount equal to 100% of the amount the district or consortium received for 2009-2010 under this section before any reallocations made for 2009-2010 under subsection (5).

(b) A district or consortium that received funding in 2009-2010 under this section may operate independently of a consortium or join or form a consortium for 2010-2011. The allocation for 2010-2011 to the district or the newly formed consortium under this subsection shall be determined by the department and shall be based on the proportion of the amounts that are attributable to the district or consortium that received funding in 2009-2010. A district or consortium described in this subdivision shall notify the department of its intention with regard to 2010-2011 by October 1, 2010.

(c) If a district had a declaration of financial emergency in place under the local government fiscal responsibility act, 1990 PA 72, MCL 141.1201 to 141.1291, and that declaration was revoked during 2005, the district may operate a program under this section independently of a consortium or may join or form a consortium to operate a program under this section. The allocation for 2010-2011 to the district or the newly formed consortium under this subsection shall be determined by the department and shall be based on the proportion of the amounts that are attributable to the district or consortium that received funding in 2009-2010 or, for a district for which a declaration of financial emergency was revoked during 2005, based on the amount the district received under this section using a 3-year average of the 3 most recent fiscal years the district received funding under this section. A district or consortium described in this subdivision shall notify the department of its intention with regard to 2010-2011 by October 1, 2010.

(5) A district that operated an adult education program in 2009-2010 and does not intend to operate a program in 2010-2011 shall notify the department by October 1, 2010 of its intention. The money intended to be allocated under this section to a district that does not operate a program in 2010-2011 and the unspent money originally allocated under this section to a district or consortium that subsequently operates a program at less than the level of funding allocated under subsection (4) and any other unallocated money under this section shall instead be proportionately reallocated to the other districts described in subsection (4)(a) that are operating an adult education program in 2010-2011 under this section.

(6) From the amount allocated under subsection (1), up to a maximum of \$200,000.00 shall be allocated for not more than 1 grant not to exceed \$200,000.00 for expansion of an existing innovative community college program that focuses on educating adults. Grants may be used for program operating expenses such as staffing, rent, equipment, and other expenses. To be eligible for this grant funding, a program must meet the following criteria:

(a) Collaborates with local districts and businesses to determine area academic needs and to promote the learning opportunities.

(b) Is located off-campus in an urban residential setting with documented high poverty and low high school graduation rates.

(c) Provides general educational development (G.E.D.) test preparation courses and workshops.

(d) Provides developmental courses taught by college faculty that prepare students to be successful in college-level courses.

(e) Uses learning communities to allow for shared, rather than isolated, learning experiences.

(f) Provides on-site tutoring.

(g) Provides access to up-to-date technology, including personal computers.

(h) Partners with a financial institution to provide financial literacy education.

(i) Assists students in gaining access to financial aid.

(j) Provides on-site academic advising to students.

(k) Provides vouchers for reduced G.E.D. testing costs.

(l) Partners with local agencies to provide referrals for social services as needed.

(m) Enrolls participants as students of the community college.

(n) Partners with philanthropic and business entities to provide capital funding.

(7) The amount allocated under this section per full-time equated participant is \$2,850.00 for a 450-hour program. The amount shall be proportionately reduced for a program offering less than 450 hours of instruction.

(8) An adult basic education program or an adult English as a second language program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who are determined by a department-approved assessment, in a form and manner prescribed by the department, to be below ninth grade level in reading or mathematics, or both, or to lack basic English proficiency.

(b) The program tests individuals for eligibility under subdivision (a) before enrollment and upon completion of the program in compliance with the state-approved assessment policy.

(c) A participant in an adult basic education program is eligible for reimbursement until 1 of the following occurs:

(i) The participant's reading and mathematics proficiency are assessed at or above the ninth grade level.

(ii) The participant fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction.

(d) A funding recipient enrolling a participant in an English as a second language program is eligible for funding according to subsection (12) until the participant meets 1 of the following:

(i) The participant is assessed as having attained basic English proficiency as determined by a department-approved assessment.

(ii) The participant fails to show progress on 2 successive department-approved assessments after having completed at least 450 hours of instruction. The department shall provide information to a funding recipient regarding appropriate assessment instruments for this program.

(9) A general educational development (G.E.D.) test preparation program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma.

(b) The program shall administer a G.E.D. pre-test approved by the department before enrolling an individual to determine the individual's potential for success on the G.E.D. test, and shall administer a post-test upon completion of the program in compliance with the state-approved assessment policy.

(c) A funding recipient shall receive funding according to subsection (12) for a participant, and a participant may be enrolled in the program until 1 of the following occurs:

(i) The participant passes the G.E.D. test.

(ii) The participant fails to show progress on 2 successive department-approved assessments used to determine readiness to take the G.E.D. test after having completed at least 450 hours of instruction.

(10) A high school completion program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma.

(b) The program tests participants described in subdivision (a) before enrollment and upon completion of the program in compliance with the state-approved assessment policy.

(c) A funding recipient shall receive funding according to subsection (12) for a participant in a course offered under this subsection until 1 of the following occurs:

(i) The participant passes the course and earns a high school diploma.

(ii) The participant fails to earn credit in 2 successive semesters or terms in which the participant is enrolled after having completed at least 900 hours of instruction.

(11) A job or employment-related adult education program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults referred by their employer who are less than 20 years of age, have a high school diploma, are determined to be in need of remedial mathematics or communication arts skills and are not attending an institution of higher education.

(b) An individual may be enrolled in this program and the grant recipient shall receive funding according to subsection (12) until 1 of the following occurs:

(i) The individual achieves the requisite skills as determined by department-approved assessment instruments administered at least after every 90 hours of attendance.

(ii) The individual fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction. The department shall provide information to a funding recipient regarding appropriate assessment instruments for this program.

(12) A funding recipient shall receive payments under this section in accordance with the following:

(a) Ninety percent for enrollment of eligible participants.

(b) Ten percent for completion of the adult basic education objectives by achieving an increase of at least 1 grade level of proficiency in reading or mathematics; for achieving basic English proficiency, as defined by the department in the adult education guidebook; for obtaining a G.E.D. or passage of 1 or more individual G.E.D. tests; for attainment of a high school diploma or passage of a course required for a participant to attain a high school diploma; or for completion of the course and demonstrated proficiency in the academic skills to be learned in the course, as applicable.

(13) As used in this section, "participant" means the sum of the number of full-time equated individuals enrolled in and attending a department-approved adult education program under this section, using quarterly participant count days on the schedule described in section 6(7)(b).

(14) A person who is not eligible to be a participant funded under this section may receive adult education services upon the payment of tuition. In addition, a person who is not eligible to be served in a program under this section due to the program limitations specified in subsection (8), (9), (10), or (11) may continue to receive adult education services in that program upon the payment of tuition. The tuition level shall be determined by the local or intermediate district conducting the program.

(15) An individual who is an inmate in a state correctional facility shall not be counted as a participant under this section.

(16) A district shall not commingle money received under this section or from another source for adult education purposes with any other funds of the district. A district receiving adult education funds shall establish a separate ledger account for those funds. This subsection does not prohibit a district from using general funds of the district to support an adult education or community education program.

(17) A district or intermediate district receiving funds under this section may establish a sliding scale of tuition rates based upon a participant's family income. A district or intermediate district may charge a participant tuition to receive adult education services under this section from that sliding scale of tuition rates on a uniform basis. The amount of tuition charged per participant shall not exceed the actual operating cost per participant minus any funds received under this section per participant. A district or intermediate district may not charge a participant tuition under this section if the participant's income is at or below 200% of the federal poverty guidelines published by the United States department of health and human services.

(18) In order to receive funds under this section, a district shall furnish to the department, in a form and manner determined by the department, all information needed to administer this program and meet federal reporting requirements; shall allow the department or the department's designee to review all records related to the program for which it receives funds; and shall reimburse the state for all disallowances found in the review, as determined by the department.

(19) All intermediate district participant audits of adult education programs shall be performed pursuant to the adult education participant auditing and accounting manuals published by the department.

(20) As used in this section, "department" means the department of energy, labor, and economic growth.

Sec. 147. The allocation for 2010-2011 for the public school employees' retirement system pursuant to the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, shall be made using the entry age normal cost actuarial method and risk assumptions adopted by the public school employees retirement board and the department of technology, management, and budget. The annual level percentage of payroll contribution rate is estimated at 19.41% for the 2010-2011 state fiscal year. The portion of the contribution rate assigned to districts and intermediate districts for each fiscal year is all of the total percentage points. This contribution rate reflects an amortization period of 27 years for 2010-2011. However, the contribution rate for 2010-2011 may be reduced by an amount approved by the public school employees' retirement system board if reforms in the public school employees' retirement system are enacted and in effect by December 31, 2010. The public school employees' retirement system board shall notify each district and intermediate district by February 28 of each fiscal year of the estimated contribution rate for the next fiscal year.

Sec. 166b. (1) This act does not prohibit a parent or legal guardian of a minor who is enrolled in any of grades 1 to 12 in a nonpublic school or who is being home-schooled from also enrolling the minor in a district or intermediate district in any curricular offering that is provided by the district or intermediate district at a public school site and is available to pupils in the minor's grade level or age group, subject to compliance with the same requirements that apply to a full-time pupil's participation in the offering. However, state school aid shall be provided under this act for a minor enrolled as described in this subsection only for curricular offerings that are offered to full-time pupils in the minor's grade level or age group during regularly scheduled school hours.

(2) This act does not prohibit a parent or legal guardian of a minor who is enrolled in any of grades 1 to 12 in a nonpublic school located within the district or who resides within the district and is being home-schooled from also enrolling the minor in the district in a curricular offering being provided by the district at the nonpublic school site. However, state school aid shall be provided under this act for a minor enrolled as described in this subsection only if all of the following apply:

(a) Either of the following:

(i) The nonpublic school site is located, or the nonpublic students are educated, within the geographic boundaries of the district.

(ii) If the nonpublic school has submitted a written request for a specific fiscal year to the district in which the nonpublic school is located for the district to provide certain instruction under this subsection for a school year and the district does not agree to provide some or all of that instruction by May 1 immediately preceding that school year or, if the request is submitted after March 1 immediately preceding that school year, within 60 days after the nonpublic school submits the request, the portion of the instruction that the district has not agreed to provide is instead provided by a district that is contiguous to the district in which the nonpublic school is located. This subparagraph applies only to instruction, or a portion of instruction, that is specifically included in the written request that was made to the district in which the nonpublic school is located and that was denied by that district. A public school academy that is located in the district in which the nonpublic school is located or in a district that is contiguous to the district in which the nonpublic school is located also may provide instruction under this subparagraph in the same manner as a district that is contiguous to the district in which the nonpublic school is located.

(b) The nonpublic school is registered with the department as a nonpublic school and meets all state reporting requirements for nonpublic schools.

(c) The instruction is scheduled to occur during the regular school day.

(d) The instruction is provided directly by an employee of the district or public school academy or of an intermediate district.

(e) The curricular offering is also available to full-time pupils in the minor's grade level or age group in the district or public school academy during the regular school day at a public school site.

(f) The curricular offering is restricted to nonessential elective courses for pupils in grades 1 to 12.

(3) A minor enrolled as described in this section is a part-time pupil for purposes of state school aid under this act.

(4) A district that receives a written request to provide instruction under subsection (2) shall reply to the request in writing by May 1 immediately preceding the applicable school year or, if the request is made after March 1 immediately preceding that school year, within 60 days after the nonpublic school submits the request. The written reply shall specify whether the district agrees to provide or does not agree to provide the instruction for each portion of instruction included in the request.

Sec. 166c. (1) The board of a district or intermediate district shall develop and implement a policy addressing adequate access to basic instructional supplies. For the purposes of this section, the department shall develop and publish on its website a model policy.

(2) If a teacher or principal determines that he or she does not have adequate access to basic instructional supplies, he or she may file a claim with the principal of the school or superintendent of the district or intermediate district, as applicable, asserting the failure of the district or intermediate district to provide adequate access to basic instructional supplies, along with an explanation of the basis for making this assertion. The principal or superintendent, as applicable, shall attempt to resolve the problem at that level within a reasonable amount of time. If the teacher files a claim with a principal and determines that the principal has failed to resolve the problem, he or she may file a claim with the district or intermediate district superintendent. The principal or superintendent, as applicable, shall attempt to resolve the problem at that level within a reasonable amount of time. If the principal or teacher files a claim with a superintendent and determines that the superintendent has failed to resolve the problem, he or she may file a claim with the board of the district or intermediate district. The board of the district or intermediate district shall attempt to resolve the problem at that level within a reasonable amount of time. If the teacher or principal determines that the problem has not been resolved by the board, he or she may file a claim with the department asserting the failure of the district or intermediate district to provide adequate access to basic instructional supplies along with an explanation of the basis for making this assertion. However, if a teacher works in a school that has been placed under the supervision of the state school reform/redesign officer under section 1280c of the revised school code, MCL 380.1280c, then, instead of following the procedures under this subsection, the teacher may file a claim directly with the state school reform/redesign officer.

(3) Subject to subsection (4), if the department receives a claim under this section, the department shall contact the district or intermediate district in which the teacher or principal is employed to provide notification of the claim. Within 3 business days after receiving this notification, the district or intermediate district shall contact the department in order to resolve the problem. If the department is not satisfied with the response of the district or intermediate district, the department shall further investigate and may elect to take action.

(4) If the department does not have sufficient resources to address all claims under this section, the department may prioritize claims based on need.

(5) The board of a district or intermediate district shall ensure that a teacher or principal who files a claim with the department under this section is not subject to any adverse treatment for filing the claim.

(6) Failure of a district or intermediate district to meet the requirements of this section does not create a cause of action or constitute a breach of any legal duty in a civil action.

Sec. 166d. (1) A school of excellence that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551, or an educational management organization with which the cyber school has a contract, shall not require an employee, a former employee, or an individual doing work for the cyber school as an independent contractor or as an employee of the educational management organization or another third party to sign an agreement that he or she will not disclose salary or other compensation information.

(2) A school of excellence that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551, that violates subsection (1) or that is party to a contract with an educational management organization that violates subsection (1) shall forfeit from its state aid under this act an amount equal to 2% of its total state aid.

Enacting section 1. (1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,645,097,700.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,565,511,000.00.

(2) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2010-2011 is estimated at \$10,979,765,400.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,854,068,100.00.

Enacting section 2. Sections 32n, 57, and 98a of the state school aid act of 1979, 1979 PA 94, MCL 388.1632n, 388.1657, and 388.1698a, are repealed.

Enacting section 3. (1) Except as otherwise provided in subsection (2), this amendatory act takes effect October 1, 2010.

(2) Sections 11, 11d, 11m, 20, 22a, 22b, 24a, 51a, 51c, 56, 62, 74, 81, 94a, and 101 of the state school aid act of 1979, 1979 PA 94, MCL 388.1611, 388.1611d, 388.1611m, 388.1620, 388.1622a, 388.1622b, 388.1624a, 388.1651a, 388.1651c, 388.1656, 388.1662, 388.1674, 388.1681, 388.1694a, and 388.1701, as amended by this amendatory act, take effect upon enactment of this amendatory act.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved .....

.....  
Governor



STATE OF MICHIGAN  
OFFICE OF THE GOVERNOR  
LANSING

JENNIFER M. GRANHOLM  
GOVERNOR

JOHN D. CHERRY, JR.  
LT. GOVERNOR

July 7, 2010

Michigan State Senate  
State Capitol  
Lansing, Michigan 48909-7536

Ladies and Gentlemen:

Today I have signed Enrolled Senate Bill 1163, the school aid budget for the fiscal year ending September 30, 2011. However, I have disapproved several appropriations in the bill, as authorized by Section 19 of Article V of the Michigan Constitution. The specific item vetoes are detailed in the attached copy of the bill, which has been filed with the Secretary of State.

The completion of the school aid budget together with the passage of retirement reform legislation will provide schools with the financial certainty needed to adjust budgets early in the school fiscal year. All districts will receive a modest \$11 per pupil increase. This budget also recognizes the importance of early childhood education by adding \$2.6 million in funding for Great Start school readiness programs, which will provide 760 additional slots for students to enroll in the programs. In total, Enrolled Senate Bill 1163 appropriates over \$12.8 billion for fiscal year 2011 to support K-12 education in Michigan.

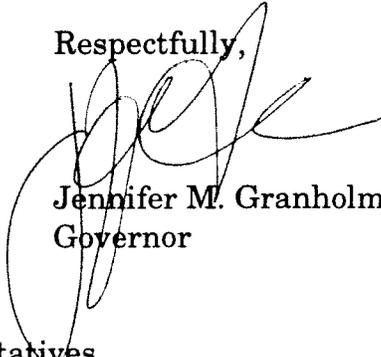
I have disapproved the following proposed appropriations that earmark funding for new programs: sections 22e(6), 92, and 99p. I cannot support such special earmarks when a per-pupil reduction is still in effect for all schools.

I have also disapproved several proposed appropriations which are contingent upon passage of legislation to increase state revenues: sections 20(25), 20j, and 32c. Given the overall severe budgetary problems we are facing, spending decisions should be made at the point the Legislature actually enacts legislation to increase revenues.

Michigan State Senate  
July 7, 2010  
Page 2

I thank the Legislature for their hard work on behalf of Michigan's children.

Respectfully,



Jennifer M. Granholm  
Governor

Attachment

cc: Michigan House of Representatives  
The Honorable Terri Lynn Land, Secretary of State

Act No. 204  
Public Acts of 2010  
Approved by the Governor  
October 11, 2010  
Filed with the Secretary of State  
October 12, 2010  
EFFECTIVE DATE: October 12, 2010

**STATE OF MICHIGAN  
95TH LEGISLATURE  
REGULAR SESSION OF 2010**

Introduced by Rep. Terry Brown

# **ENROLLED HOUSE BILL No. 4860**

AN ACT to amend 1979 PA 94, entitled "An act to make appropriations to aid in the support of the public schools and the intermediate school districts of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to supplement the school aid fund by the levy and collection of certain taxes; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts," by amending sections 11, 11j, 22e, 24c, 26a, 39a, 81, 94a, 102, 104, and 166b (MCL 388.1611, 388.1611j, 388.1622e, 388.1624c, 388.1626a, 388.1639a, 388.1681, 388.1694a, 388.1702, 388.1704, and 388.1766b), sections 11, 11j, 22e, 24c, 26a, 39a, 81, 94a, 104, and 166b as amended by 2010 PA 110 and section 102 as amended by 2000 PA 297, and by adding sections 92 and 93.

*The People of the State of Michigan enact:*

Sec. 11. (1) Subject to subsection (5), for the fiscal year ending September 30, 2011, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of \$10,937,260,500.00 from the state school aid fund and the sum of \$18,642,400.00 from the general fund. For the fiscal year ending September 30, 2011, there is also appropriated the remaining balance of the federal funding awarded to this state under title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5, estimated at \$184,256,600.00, to be used solely for the purpose of funding the primary funding formula calculated under section 20, in accordance with federal law. In addition, all other available federal funds, except those otherwise appropriated under section 11p, are appropriated for the fiscal year ending September 30, 2011.

(2) The appropriations under this section shall be allocated as provided in this act. Money appropriated under this section from the general fund shall be expended to fund the purposes of this act before the expenditure of money appropriated under this section from the state school aid fund. If the maximum amount appropriated under this section from the state school aid fund for a fiscal year exceeds the amount necessary to fully fund allocations under this act from the state school aid fund, that excess amount shall not be expended in that state fiscal year and shall not lapse to the general fund, but instead shall be deposited into the school aid stabilization fund created in section 11a.

(3) If the maximum amount appropriated under this section from the state school aid fund and the school aid stabilization fund for a fiscal year exceeds the amount available for expenditure from the state school aid fund for that fiscal year, payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, 53a, and 56 shall be made in full. In addition, for districts beginning operations after 1994-95 that qualify for payments under section 22b, payments under section 22b shall be made so that the qualifying districts receive the lesser of an amount equal to the 1994-95 foundation allowance of the district in which the district beginning operations after 1994-95 is located or \$5,500.00. The amount of the payment to be made under section 22b for these qualifying districts shall be as calculated under section 22a, with the balance of the payment under section 22b being subject to the proration otherwise provided under this subsection and subsection (4). If proration is necessary, state payments under each of the other sections of this act from all state funding sources shall be prorated in the manner prescribed in subsection (4) as necessary to reflect the amount available for expenditure from the state school aid fund for the affected fiscal year. However, if the department of treasury determines that proration will be required under this subsection, or if the department of treasury determines that further proration is required under this subsection after an initial proration has already been made for a fiscal year, the department of treasury shall notify the state budget director, and the state budget director shall notify the legislature at least 30 calendar days or 6 legislative session days, whichever is more, before the department reduces any payments under this act because of the proration. During the 30 calendar day or 6 legislative session day period after that notification by the state budget director, the department shall not reduce any payments under this act because of proration under this subsection. The legislature may prevent proration from occurring by, within the 30 calendar day or 6 legislative session day period after that notification by the state budget director, enacting legislation appropriating additional funds from the general fund, countercyclical budget and economic stabilization fund, state school aid fund balance, or another source to fund the amount of the projected shortfall.

(4) If proration is necessary under subsection (3), the department shall calculate the proration in district and intermediate district payments that is required under subsection (3) as follows:

(a) The department shall calculate the percentage of total state school aid allocated under this act for the affected fiscal year for each of the following:

- (i) Districts.
- (ii) Intermediate districts.
- (iii) Entities other than districts or intermediate districts.

(b) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(i) for districts by reducing payments to districts. This reduction shall be made by calculating an equal dollar amount per pupil as necessary to recover this percentage of the proration amount and reducing each district's total state school aid from state sources, other than payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, and 53a, by that amount.

(c) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(ii) for intermediate districts by reducing payments to intermediate districts. This reduction shall be made by reducing the payments to each intermediate district, other than payments under sections 11f, 11g, 26a, 26b, 51a(2), 51a(12), 53a, and 56, on an equal percentage basis.

(d) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(iii) for entities other than districts and intermediate districts by reducing payments to these entities. This reduction shall be made by reducing the payments to each of these entities, other than payments under sections 11j, 26a, and 26b, on an equal percentage basis.

(5) Any general fund allocations under this act that are not expended by the end of the state fiscal year are transferred to the school aid stabilization fund created under section 11a.

Sec. 11j. From the appropriation in section 11, there is allocated an amount not to exceed \$5,167,800.00 for 2010-2011 for payments to the school loan bond redemption fund in the department of treasury on behalf of districts and intermediate districts. Notwithstanding section 11 or any other provision of this act, funds allocated under this section are not subject to proration and shall be paid in full.

Sec. 22e. (1) Beginning in 2008-2009, an amount will be allocated each fiscal year from the appropriation in section 11 for additional payments under this subsection to districts that meet the eligibility requirements under subsection (2). For 2010-2011, there is allocated for this purpose from the appropriation in section 11 an amount not to exceed \$1,300,000.00.

(2) To be eligible for a payment under subsection (1), a district must be determined by the department and the department of treasury to meet all of the following:

(a) The district levies 1 of the following operating millage amounts:

(i) All of the operating millage it is authorized to levy under section 1211 of the revised school code, MCL 380.1211.

(ii) The amount of operating millage it is authorized to levy after a voluntary reduction of its operating millage rate adopted by the board of the district.

(iii) The amount of operating millage it is authorized to levy after a millage reduction required under the limitation of section 31 of article IX of the state constitution of 1963, if a ballot question asking for approval to levy millage in excess of the limitation has been rejected in the district.

(b) The district receives a reduced amount of local school operating revenue under section 1211 of the revised school code, MCL 380.1211, as a result of the exemptions of industrial personal property and commercial personal property that were enacted in 2007 PA 37.

(c) The district does not receive any state portion of its foundation allowance, as calculated under section 20(4).

(3) Subject to subsection (4), the amount of the additional funding to each eligible district under subsection (1) is the sum of the following and shall be paid to the eligible districts in the same manner as payments under section 22b:

(a) The product of the taxable value of the district's industrial personal property for the calendar year ending in the fiscal year multiplied by the total number of mills the district levies on nonexempt property under section 1211 of the revised school code, MCL 380.1211, for that calendar year.

(b) The product of the taxable value of the district's commercial personal property for the calendar year ending in the fiscal year multiplied by the lesser of 12 mills or the total number of mills the district levies on nonexempt property under section 1211 of the revised school code, MCL 380.1211, for that calendar year.

(4) The amount of the additional funding to an eligible district under subsection (1) for a fiscal year shall not exceed 15% of the total amount allocated under subsection (1) for that fiscal year.

(5) If the total amount of the payments calculated under subsection (3) for a fiscal year exceeds the allocation under subsection (1) for that fiscal year, the payment to each district under subsection (1) shall be prorated on an equal percentage basis.

(6) In addition to the amount allocated under subsection (1), for 2010-2011 only there is also allocated from the appropriation in section 11 the amount of \$500,000.00 to a district that is eligible for a payment under subsection (1) and that levied 1.8 mills in 1993 to finance an operating deficit.

Sec. 24c. From the appropriation in section 11, there is allocated an amount not to exceed \$742,300.00 for 2010-2011 for payments to districts for pupils who are enrolled in a nationally administered community-based education and youth mentoring program, known as the youth challenge program, that is located within the district and is administered by the department of military and veterans affairs. Both of the following apply to a district receiving payments under this section:

(a) The district shall contract with the department of military and veterans affairs to ensure that all funding allocated under this section is utilized by the district and the department of military and veterans affairs for the youth challenge program.

(b) The district may retain for its administrative expenses an amount not to exceed 3% of the amount of the payment the district receives under this section.

Sec. 26a. From the state school aid fund appropriation in section 11, there is allocated an amount not to exceed \$26,300,000.00 for 2010-2011 to reimburse districts and intermediate districts pursuant to section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in 2010. The allocations shall be made not later than 60 days after the department of treasury certifies to the department and to the state budget director that the department of treasury has received all necessary information to properly determine the amounts due to each eligible recipient.

Sec. 39a. (1) From the federal funds appropriated in section 11, there is allocated for 2010-2011 to districts, intermediate districts, and other eligible entities all available federal funding, estimated at \$761,973,600.00, for the federal programs under the no child left behind act of 2001, Public Law 107-110. These funds are allocated as follows:

(a) An amount estimated at \$10,808,600.00 to provide students with drug- and violence-prevention programs and to implement strategies to improve school safety, funded from DED-OESE, drug-free schools and communities funds.

(b) An amount estimated at \$7,461,800.00 for the purpose of improving teaching and learning through a more effective use of technology, funded from DED-OESE, educational technology state grant funds.

(c) An amount estimated at \$109,411,900.00 for the purpose of preparing, training, and recruiting high-quality teachers and class size reduction, funded from DED-OESE, improving teacher quality funds.

(d) An amount estimated at \$10,322,300.00 for programs to teach English to limited English proficient (LEP) children, funded from DED-OESE, language acquisition state grant funds.

(e) An amount estimated at \$8,550,000.00 for the Michigan charter school subgrant program, funded from DED-OESE, charter school funds.

(f) An amount estimated at \$1,760,000.00 for rural and low income schools, funded from DED-OESE, rural and low income school funds.

(g) An amount estimated at \$1,000.00 to help schools develop and implement comprehensive school reform programs, funded from DED-OESE, title I and title X, comprehensive school reform funds.

(h) An amount estimated at \$517,479,800.00 to provide supplemental programs to enable educationally disadvantaged children to meet challenging academic standards, funded from DED-OESE, title I, disadvantaged children funds.

(i) An amount estimated at \$2,152,700.00 for the purpose of providing unified family literacy programs, funded from DED-OESE, title I, even start funds.

(j) An amount estimated at \$8,807,200.00 for the purpose of identifying and serving migrant children, funded from DED-OESE, title I, migrant education funds.

(k) An amount estimated at \$24,733,200.00 to promote high-quality school reading instruction for grades K-3, funded from DED-OESE, title I, reading first state grant funds.

(l) An amount estimated at \$2,849,000.00 for the purpose of implementing innovative strategies for improving student achievement, funded from DED-OESE, title VI, innovative strategies funds.

(m) An amount estimated at \$40,050,000.00 for the purpose of providing high-quality extended learning opportunities, after school and during the summer, for children in low-performing schools, funded from DED-OESE, twenty-first century community learning center funds.

(n) An amount estimated at \$17,586,100.00 to help support local school improvement efforts, funded from DED-OESE, title I, local school improvement grants.

(2) From the federal funds appropriated in section 11, there is allocated for 2010-2011 to districts, intermediate districts, and other eligible entities all available federal funding, estimated at \$32,359,700.00, for the following programs that are funded by federal grants:

(a) An amount estimated at \$600,000.00 for acquired immunodeficiency syndrome education grants, funded from HHS – center for disease control, AIDS funding.

(b) An amount estimated at \$1,814,100.00 to provide services to homeless children and youth, funded from DED-OVAE, homeless children and youth funds.

(c) An amount estimated at \$1,445,600.00 for serve America grants, funded from the corporation for national and community service funds.

(d) An amount estimated at \$28,500,000.00 for providing career and technical education services to pupils, funded from DED-OVAE, basic grants to states.

(3) To the extent allowed under federal law, the funds allocated under subsection (1)(h), (i), (k), and (n) may be used for 1 or more reading improvement programs that meet at least 1 of the following:

(a) A research-based, validated, structured reading program that aligns learning resources to state standards and includes continuous assessment of pupils and individualized education plans for pupils.

(b) A mentoring program that is a research-based, validated program or a statewide 1-to-1 mentoring program and is designed to enhance the independence and life quality of pupils who are mentally impaired by providing opportunities for mentoring and integrated employment.

(c) A cognitive development program that is a research-based, validated educational service program focused on assessing and building essential cognitive and perceptual learning abilities to strengthen pupil concentration and learning.

(d) A structured mentoring-tutorial reading program for pupils in preschool to grade 4 that is a research-based, validated program that develops individualized educational plans based on each pupil's age, assessed needs, reading level, interests, and learning style.

(4) All federal funds allocated under this section shall be distributed in accordance with federal law and with flexibility provisions outlined in Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(5) For the purposes of applying for federal grants appropriated under this act, the department shall allow an intermediate district to submit a consolidated application on behalf of 2 or more districts with the agreement of those districts.

(6) As used in this section:

(a) "DED" means the United States department of education.

(b) "DED-OESE" means the DED office of elementary and secondary education.

(c) "DED-OVAE" means the DED office of vocational and adult education.

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

(e) "HHS-ACF" means the HHS administration for children and families.

Sec. 81. (1) Except as otherwise provided in this section, from the appropriation in section 11, there is allocated for 2010-2011 to the intermediate districts the sum necessary, but not to exceed \$65,376,800.00, to provide state aid to intermediate districts under this section. Except as otherwise provided in this section, there shall be allocated to each intermediate district for 2010-2011 an amount equal to 80% of the amount allocated under this subsection for 2008-2009. Funding provided under this section shall be used to comply with requirements of this act and the revised school code that are applicable to intermediate districts, and for which funding is not provided elsewhere in this act, and to provide technical assistance to districts as authorized by the intermediate school board.

(2) Intermediate districts receiving funds under this section shall collaborate with the department to develop expanded professional development opportunities for teachers to update and expand their knowledge and skills needed to support the Michigan merit curriculum.

(3) From the allocation in subsection (1), there is allocated to an intermediate district, formed by the consolidation or annexation of 2 or more intermediate districts or the attachment of a total intermediate district to another intermediate school district or the annexation of all of the constituent K-12 districts of a previously existing intermediate school district which has disorganized, an additional allotment of \$3,500.00 each fiscal year for each intermediate district included in the new intermediate district for 3 years following consolidation, annexation, or attachment.

(4) During a fiscal year, the department shall not increase an intermediate district's allocation under subsection (1) because of an adjustment made by the department during the fiscal year in the intermediate district's taxable value for a prior year. Instead, the department shall report the adjustment and the estimated amount of the increase to the house and senate fiscal agencies and the state budget director not later than June 1 of the fiscal year, and the legislature shall appropriate money for the adjustment in the next succeeding fiscal year.

(5) In order to receive funding under this section, an intermediate district shall do all of the following:

(a) Demonstrate to the satisfaction of the department that the intermediate district employs at least 1 person who is trained in pupil counting procedures, rules, and regulations.

(b) Demonstrate to the satisfaction of the department that the intermediate district employs at least 1 person who is trained in rules, regulations, and district reporting procedures for the individual-level student data that serves as the basis for the calculation of the district and high school graduation and dropout rates.

(c) Comply with sections 1278a and 1278b of the revised school code, MCL 380.1278a and 380.1278b.

(d) Furnish data and other information required by state and federal law to the center and the department in the form and manner specified by the center or the department, as applicable.

(e) Comply with section 1230g of the revised school code, MCL 380.1230g.

(f) Comply with section 761 of the revised school code, MCL 380.761.

(6) If the amount of the allocation to intermediate districts under subsection (1) is reduced in a fiscal year after 2010-2011 from the amount of that allocation for 2010-2011, that reduced allocation shall not result in an intermediate district's allocation being less than the funding actually received by or paid on behalf of the intermediate district for the 1994-95 fiscal year under former section 146a(1) and section 147(1), as those sections were in effect for the 1994-95 fiscal year.

Sec. 92. From the state school aid fund money appropriated in section 11, there is allocated for 2010-2011 an amount not to exceed \$300,000.00 to Saginaw Valley state university to begin an agricultural degree program that focuses on agriscience education, agricultural business, and agricultural communications.

Sec. 93. From the general fund money appropriated in section 11, there is allocated for 2010-2011 an amount not to exceed \$1,500,000.00 to the library of Michigan for state aid to libraries payments to help support the provision of the Michigan electronic library in public schools and public libraries. The library of Michigan shall distribute the payments to libraries under this section in an amount equal to 25.0% of the allocation each library received under the state aid to libraries appropriation enacted under 2009 PA 115.

Sec. 94a. (1) There is created within the state budget office in the department of technology, management, and budget the center for educational performance and information. The center shall do all of the following:

(a) Coordinate the collection of all data required by state and federal law from districts, intermediate districts, and postsecondary institutions.

(b) Create, maintain, and enhance this state's statewide longitudinal data system and ensure that it meets the requirements of subsection (6).

(c) Collect data in the most efficient manner possible in order to reduce the administrative burden on reporting entities, including, but not limited to, electronic transcript services.

(d) Create, maintain, and enhance this state's web-based educational portal to provide information to school leaders, teachers, researchers, and the public in compliance with all federal and state privacy laws. Data shall include, but are not limited to, all of the following:

(i) Data sets that link teachers to student information, allowing districts to assess individual teacher impact on student performance and consider student growth factors in teacher and principal evaluation systems.

(ii) Data access or, if practical, data sets, provided for regional data warehouses that, in combination with local data, can improve teaching and learning in the classroom.

(iii) Research-ready data sets for researchers to perform research that advances this state's educational performance.

(e) Provide data in a useful manner to allow state and local policymakers to make informed policy decisions.

(f) Provide public reports to the citizens of this state to allow them to assess allocation of resources and the return on their investment in the education system of this state.

(g) Other functions as assigned by the state budget director.

(2) Each state department, officer, or agency that collects information from districts, intermediate districts, or postsecondary institutions as required under state or federal law shall make arrangements with the center to ensure that the state department, officer, or agency is in compliance with subsection (1). This subsection does not apply to information collected by the department of treasury under the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to 388.1939; or section 1351a of the revised school code, MCL 380.1351a.

(3) The state budget director shall appoint a CEPI advisory committee to provide advice to the director. The CEPI advisory committee shall consist of the following members:

(a) One representative from the house fiscal agency.

(b) One representative from the senate fiscal agency.

(c) One representative from the state budget office.

(d) One representative from the state education agency.

(e) One representative each from the department of energy, labor, and economic growth and the department of treasury.

(f) Three representatives from intermediate school districts.

(g) One representative from each of the following educational organizations:

(i) Michigan association of school boards.

(ii) Michigan association of school administrators.

(iii) Michigan school business officials.

(h) One representative representing private sector firms responsible for auditing school records.

(i) Other representatives as the state budget director determines are necessary.

(4) The CEPI advisory committee appointed under subsection (3) shall provide advice to the director of the center regarding the management of the center's data collection activities, including, but not limited to:

(a) Determining what data is necessary to collect and maintain in order to perform the center's functions in the most efficient manner possible.

(b) Defining the roles of all stakeholders in the data collection system.

(c) Recommending timelines for the implementation and ongoing collection of data.

(d) Establishing and maintaining data definitions, data transmission protocols, and system specifications and procedures for the efficient and accurate transmission and collection of data.

(e) Establishing and maintaining a process for ensuring the reasonable accuracy of the data.

(f) Establishing and maintaining state and model local policies related to data collection, including, but not limited to, privacy policies related to individual student data. These privacy policies shall ensure that a student's social security number is not released to the public for any purpose.

(g) Working with stakeholders to develop a state research agenda.

(h) Other matters as determined by the state budget director or the director of the center.

(5) The center may enter into any interlocal agreements necessary to fulfill its functions.

(6) The center shall ensure that the statewide longitudinal data system required under subsection (1)(b) meets all of the following:

(a) Includes data at the individual student level from preschool through postsecondary education and into the workforce.

(b) Supports interoperability by using standard data structures, data formats, and data definitions to ensure linkage and connectivity in a manner that facilitates the exchange of data among agencies and institutions within the state and between states.

(c) Enables the matching of individual teacher and student records so that an individual student may be matched with those teachers providing instruction to that student.

(d) Enables the matching of individual teachers with information about their certification and the institutions that prepared and recommended those teachers for state certification.

(e) Enables data to be easily generated for continuous improvement and decision-making, including timely reporting to parents, teachers, and school leaders on student achievement.

(f) Ensures the reasonable quality, validity, and reliability of data contained in the system.

(g) Provides this state with the ability to meet federal and state reporting requirements.

(h) For data elements related to preschool through grade 12 and postsecondary, meets all of the following:

(i) Contains a unique statewide student identifier that does not permit a student to be individually identified by users of the system, except as allowed by federal and state law.

(ii) Contains student-level enrollment, demographic, and program participation information.

(iii) Contains student-level information about the points at which students exit, transfer in, transfer out, drop out, or complete education programs.

(iv) Has the capacity to communicate with higher education data systems.

(i) For data elements related to preschool through grade 12 only, meets all of the following:

(i) Contains yearly test records of individual students for assessments approved by DED-OESE for accountability purposes under section 1111(b) of the elementary and secondary education act of 1965, 20 USC 6311, including information on individual students not tested, by grade and subject.

(ii) Contains student-level transcript information, including information on courses completed and grades earned.

(iii) Contains student-level college readiness test scores.

(j) For data elements related to postsecondary education only:

(i) Contains data that provide information regarding the extent to which individual students transition successfully from secondary school to postsecondary education, including, but not limited to, all of the following:

(A) Enrollment in remedial coursework.

(B) Completion of 1 year's worth of college credit applicable to a degree within 2 years of enrollment.

(ii) Contains data that provide other information determined necessary to address alignment and adequate preparation for success in postsecondary education.

(7) From the general fund appropriation in section 11, there is allocated an amount not to exceed \$3,621,100.00 for 2010-2011 to the department of technology, management, and budget to support the operations of the center. In addition, from the federal funds appropriated in section 11 there is allocated for 2010-2011 the amount necessary, estimated at \$10,067,800.00 for 2010-2011, to support the operations of the center. The center shall cooperate with the state education agency to ensure that this state is in compliance with federal law and is maximizing opportunities for increased federal funding to improve education in this state.

(8) From the federal funds allocated in subsection (7), there is allocated for 2010-2011 an amount not to exceed \$850,000.00 funded from the competitive grants of DED-OESE, title II, educational technology funds for the purposes of this subsection. Not later than November 30 of each fiscal year, the department shall award a single grant to an eligible partnership that includes an intermediate district with at least 1 high-need local school district and the center.

(9) In addition to the amount allocated under subsection (7) there is also allocated from the general fund money appropriated in section 11 for 2010-2011 an additional amount not to exceed \$1,800,000.00 for the purpose of establishing a longitudinal data system as provided under this section in compliance with the assurance provided to the federal department of education in order to receive state fiscal stabilization funds. In addition, there is allocated for 2010-2011 from the state school aid fund money appropriated under section 11 an amount not to exceed \$8,440,000.00 to support the efforts of districts to match individual teacher and student records. The funds shall be distributed to districts in an amount and manner determined by the center.

(10) From the federal funds allocated in subsection (7), there is allocated for 2010-2011 an amount not to exceed \$242,000.00 to support the efforts of postsecondary institutions to comply with the requirements of this state's statewide

longitudinal data system. The funds shall be distributed to postsecondary institutions in an amount and manner determined by the center.

(11) The center and the department shall work cooperatively to develop a cost allocation plan that pays for center expenses from the appropriate federal fund and state restricted fund revenues.

(12) Funds allocated under this section that are not expended in the fiscal year in which they were allocated may be carried forward to a subsequent fiscal year and are appropriated for the purposes for which the funds were originally allocated.

(13) The center may bill departments as necessary in order to fulfill reporting requirements of state and federal law. The center may also enter into agreements to supply custom data, analysis, and reporting to other principal executive departments, state agencies, local units of government, and other individuals and organizations. The center may receive and expend funds in addition to those authorized in subsection (7) to cover the costs associated with salaries, benefits, supplies, materials, and equipment necessary to provide such data, analysis, and reporting services.

(14) As used in this section:

(a) "DED-OESE" means the United States department of education office of elementary and secondary education.

(b) "High-need local school district" means a local educational agency as defined in the enhancing education through technology part of the no child left behind act of 2001, Public Law 107-110.

(c) "State education agency" means the department.

Sec. 102. (1) A district or intermediate district receiving money under this act shall not adopt or operate under a deficit budget, and a district or intermediate district shall not incur an operating deficit in a fund during a school fiscal year. A district or intermediate district that has an existing deficit fund balance, that incurs a deficit fund balance in the most recently completed school fiscal year, or that adopts a current year budget that projects a deficit fund balance shall not be allotted or paid a further sum under this act until the district or intermediate district submits to the department for approval a budget for the current school fiscal year and a plan to eliminate the district's or intermediate district's deficit not later than the end of the second school fiscal year after the deficit was incurred or the budget projecting a deficit was adopted. Withheld state aid payments shall be released after the department approves the deficit reduction plan and ensures that the budget for the current school fiscal year is balanced.

(2) Not later than March 1 of each year, the department shall prepare a report of deficits incurred or projected by districts and intermediate districts in the immediately preceding fiscal year and the progress made in reducing those deficits and submit the report to the standing committees of the legislature responsible for K-12 education legislation, the appropriations subcommittees of the legislature responsible for K-12 education appropriations, the house and senate fiscal agencies, the state treasurer, and the state budget director. The department shall also submit interim reports concerning district and intermediate district deficits as necessary.

(3) The amount of the permissible deficit for each school fiscal year shall not exceed the amount of state aid reduced by an executive order during that school fiscal year.

(4) A district or intermediate district that has an existing deficit fund balance, that incurs a deficit fund balance in the most recently completed school fiscal year, or that adopts a current year budget that projects a deficit fund balance shall submit to the department a monthly monitoring report on revenue and expenditures in a form and manner prescribed by the department.

(5) If a district or intermediate district is not able to comply with the provisions of this section, the district or intermediate district shall submit to the department a plan to eliminate its deficit. Upon approval of the plan submitted, the superintendent of public instruction may continue allotment and payment of funds under this act, extend the period of time in which a district or intermediate district has to eliminate its deficit, and set special conditions that the district or intermediate district must meet during the period of the extension.

(6) For the purposes of this section, "deficit fund balance" means that term as defined in the Michigan public school accounting manual published by the department.

Sec. 104. (1) In order to receive state aid under this act, a district shall comply with sections 1249, 1278a, 1278b, 1279, 1279g, and 1280b of the revised school code, MCL 380.1249, 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from the state school aid fund money appropriated in section 11, there is allocated for 2010-2011 an amount not to exceed \$40,194,400.00 for payments on behalf of districts for costs associated with complying with those provisions of law. In addition, from the federal funds appropriated in section 11, there is allocated for 2010-2011 an amount estimated at \$3,250,000.00, funded from DED-OSERS, section 504 of part B of the individuals with disabilities education act, Public Law 94-142, plus any carryover federal funds from previous year appropriations, for the purposes of complying with the federal no child left behind act of 2001, Public Law 107-110.

(2) The results of each test administered as part of the Michigan educational assessment program, including tests administered to high school students, shall include an item analysis that lists all items that are counted for individual pupil scores and the percentage of pupils choosing each possible response.

(3) All federal funds allocated under this section shall be distributed in accordance with federal law and with flexibility provisions outlined in Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.

(4) Notwithstanding section 17b, payments on behalf of districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(5) As used in this section:

(a) "DED" means the United States department of education.

(b) "DED-OSERS" means the DED office of special education and rehabilitative services.

Sec. 166b. (1) This act does not prohibit a parent or legal guardian of a minor who is enrolled in any of grades 1 to 12 in a nonpublic school or who is being home-schooled from also enrolling the minor in a district, public school academy, or intermediate district in any curricular offering that is provided by the district, public school academy, or intermediate district at a public school site and is available to pupils in the minor's grade level or age group, subject to compliance with the same requirements that apply to a full-time pupil's participation in the offering. However, state school aid shall be provided under this act for a minor enrolled as described in this subsection only for curricular offerings that are offered to full-time pupils in the minor's grade level or age group during regularly scheduled school hours.

(2) This act does not prohibit a parent or legal guardian of a minor who is enrolled in any of grades 1 to 12 in a nonpublic school located within the district or who resides within the district and is being home-schooled from also enrolling the minor in the district in a curricular offering being provided by the district at the nonpublic school site. However, state school aid shall be provided under this act for a minor enrolled as described in this subsection only if all of the following apply:

(a) Either of the following:

(i) The nonpublic school site is located, or the nonpublic students are educated, within the geographic boundaries of the district.

(ii) If the nonpublic school has submitted a written request for a specific fiscal year to the district in which the nonpublic school is located for the district to provide certain instruction under this subsection for a school year and the district does not agree to provide some or all of that instruction by May 1 immediately preceding that school year or, if the request is submitted after March 1 immediately preceding that school year, within 60 days after the nonpublic school submits the request, the portion of the instruction that the district has not agreed to provide is instead provided by a district that is contiguous to the district in which the nonpublic school is located. This subparagraph applies only to instruction, or a portion of instruction, that is specifically included in the written request that was made to the district in which the nonpublic school is located and that was denied by that district. A public school academy that is located in the district in which the nonpublic school is located or in a district that is contiguous to the district in which the nonpublic school is located also may provide instruction under this subparagraph under the same conditions as a district that is contiguous to the district in which the nonpublic school is located.

(b) The nonpublic school is registered with the department as a nonpublic school and meets all state reporting requirements for nonpublic schools.

(c) The instruction is scheduled to occur during the regular school day.

(d) The instruction is provided directly by an employee of the district or public school academy or of an intermediate district.

(e) The curricular offering is also available to full-time pupils in the minor's grade level or age group in the district or public school academy during the regular school day at a public school site.

(f) The curricular offering is restricted to nonessential elective courses for pupils in grades 1 to 12.

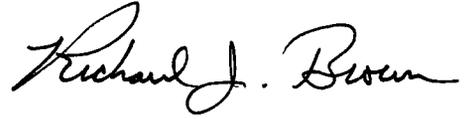
(3) A minor enrolled as described in this section is a part-time pupil for purposes of state school aid under this act.

(4) A district that receives a written request to provide instruction under subsection (2) shall reply to the request in writing by May 1 immediately preceding the applicable school year or, if the request is made after March 1 immediately preceding that school year, within 60 days after the nonpublic school submits the request. The written reply shall specify whether the district agrees to provide or does not agree to provide the instruction for each portion of instruction included in the request.

Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at \$10,955,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,824,041,900.00.

Enacting section 2. This amendatory act takes effect October 1, 2010.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor

Act No. 205  
Public Acts of 2010  
Approved by the Governor\*  
October 11, 2010  
Filed with the Secretary of State  
October 12, 2010  
EFFECTIVE DATE: October 12, 2010

\*Item Vetoes

**Sec. 11p. (2)**  
Entire Subsection. (Page 1)

**STATE OF MICHIGAN  
95TH LEGISLATURE  
REGULAR SESSION OF 2010**

Introduced by Rep. Terry Brown

# **ENROLLED HOUSE BILL No. 5872**

AN ACT to amend 1979 PA 94, entitled "An act to make appropriations to aid in the support of the public schools and the intermediate school districts of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to supplement the school aid fund by the levy and collection of certain taxes; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts," (MCL 388.1601 to 388.1772) by adding section 11p.

*The People of the State of Michigan enact:*

Sec. 11p. (1) In addition to the funds appropriated under section 11, for 2010-2011 only, there is appropriated the amount of the federal funding awarded to this state under section 101 of title I of Public Law 111-226, estimated at \$316,270,300.00, solely for the purposes identified in that section of federal law, to be distributed by funding those portions of the primary funding formulae that are calculated and allocated under this section.

(2) From the federal funding appropriated under subsection (1), there is allocated an amount not to exceed \$246,000,000.00 to provide a 1-time allocation for 2010-2011 only to districts and public school academies in an amount equal to \$154.00 per membership pupil for the purposes of funding the shortfall in the primary funding formula achieved through the reductions in section 11d. The department shall calculate and allocate to each district or public school academy an amount equal to \$154.00 per membership pupil based on the 2010-2011 membership used for the October 2010 payment under this act.

(3) From the federal funding appropriated under subsection (1), there is allocated an amount not to exceed \$65,770,300.00 to provide to each district or public school academy for 2010-2011 only a 1-time portion of per-pupil funding to be allocated under this subsection. The department shall calculate and allocate the 1-time portion of per-pupil funding allocated to each district or public school academy under this subsection as follows:

(a) First, for each district or public school academy, calculate the amount that the district's foundation allowance or public school academy's per pupil allocation calculated under section 20 would be if the basic foundation allowance for 2010-2011 were \$8,512.00, if the maximum public school academy allocation for 2010-2011 were \$7,623.00, and if the \$20.00 amount in section 20(3)(a) and 20(26)(h) were instead \$8.00.

(b) Second, calculate the difference between the amount calculated for the district or public school academy under subdivision (a) and the amount of the district's foundation allowance or public school academy's per pupil allocation as actually calculated under section 20 for 2010-2011.

(c) Third, multiply the amount calculated under subdivision (b) times the district's or public school academy's 2010-2011 membership used for the October 2010 payment under this act.

(4) For 2010-2011 only, from the federal funding appropriated under subsection (1), there is allocated an amount not to exceed \$4,500,000.00 to provide a 1-time allocation of primary funding to each intermediate district in an amount equal to the product of 6.9% multiplied by the amount of funding allocated to that intermediate district under section 81 for 2010-2011 under 2010 PA 110.

(5) If there is money remaining under this section after the allocations under subsections (2), (3), and (4) and after any amount that is unused under those subsections because a district or public school academy is unable to use its full allocation under subsections (2) and (3), then in addition to the amounts allocated under subsections (2) and (3) there is also allocated to each district and public school academy that received money under subsection (3) an amount equal to the district's or public school academy's relative proportion of the funding actually used under subsection (3) applied to that remaining money, calculated and distributed in a form and manner determined by the department.

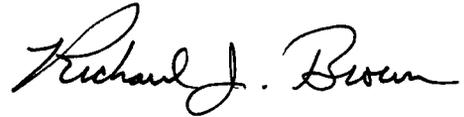
(6) To be eligible to receive funds appropriated under this section, a district, intermediate district, or public school academy must meet 1 of the following:

(a) Has previously submitted an application to receive funding under the state fiscal stabilization fund as provided for under title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5.

(b) Submits an application for the funding under this section in a form and manner determined by the department.

(7) A recipient of funding under this section shall comply with all reporting requirements of section 1512 of the American recovery and reinvestment act of 2009, Public Law 111-5, and other reporting requirements established by the United States department of education for this funding.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor



STATE OF MICHIGAN  
OFFICE OF THE GOVERNOR  
LANSING

JENNIFER M. GRANHOLM  
GOVERNOR

JOHN D. CHERRY, JR.  
LT. GOVERNOR

October 11, 2010

Michigan House of Representatives  
State Capitol  
Lansing, MI 48909-7514

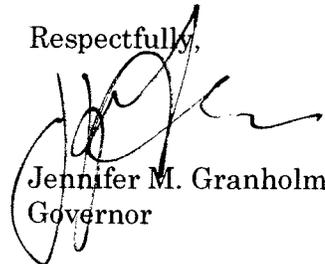
Ladies and Gentlemen:

Today I have signed Enrolled House Bill 5872, a bill authorizing the expenditure of Michigan's share of the federal Education Jobs Fund recently approved by the United States Congress and President Obama in Public Law 111-226. While I have signed the bill, I have disapproved Subsection (2) of the bill pursuant to Section 19 of Article V of the Michigan Constitution of 1963. The specific item veto is detailed in the attached copy of the bill, which has been filed with the Secretary of State.

I have exercised my item veto authority because Subsection (2) would allocate federal funds in a manner inconsistent with the requirements of Public Law 111-226. Under the federal law, funds received by a state must be distributed: (1) through a state's primary funding formula; or (2) based upon local schools' relative shares of funds under Title I of the federal Elementary and Secondary Education Act of 1965. Subsection (2) of Enrolled House Bill 5872 does neither. The United States Department of Education has indicated that this allocation is inconsistent with the requirements of Public Law 111-226 and with the application for Education Jobs Fund filed by the state of Michigan, in which the state indicated that funds would be distributed based on its primary funding formula. Failure to comply with the requirements of Public Law 111-226 likely will result in a federal audit and recoupment of funds by the federal government.

While I have disapproved Subsection (2) of Enrolled House Bill 5872, I look forward to working with the Legislature on enactment of a new appropriation for Michigan schools that allocates funds using Michigan's primary funding formula rather than attempting to restore prior reductions in education funding in a manner that is prohibited by federal law. If we work together, we can ensure that all schools receive their fair share of this federal assistance.

Respectfully,



Jennifer M. Granholm  
Governor

c: Michigan Senate



Act No. 217  
Public Acts of 2010  
Approved by the Governor  
December 3, 2010  
Filed with the Secretary of State  
December 3, 2010  
EFFECTIVE DATE: December 3, 2010

**STATE OF MICHIGAN  
95TH LEGISLATURE  
REGULAR SESSION OF 2010**

Introduced by Rep. Terry Brown

# **ENROLLED HOUSE BILL No. 5887**

AN ACT to amend 1979 PA 94, entitled "An act to make appropriations to aid in the support of the public schools and the intermediate school districts of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to supplement the school aid fund by the levy and collection of certain taxes; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts," by amending sections 11, 11d, 11m, 11p, 22a, 51a, and 56 (MCL 388.1611, 388.1611d, 388.1611m, 388.1611p, 388.1622a, 388.1651a, and 388.1656), section 11 as amended by 2010 PA 204, sections 11d, 11m, 22a, 51a, and 56 as amended by 2010 PA 110, and section 11p as added by 2010 PA 205, and by adding section 152a.

*The People of the State of Michigan enact:*

Sec. 11. (1) Subject to subsection (5), for the fiscal year ending September 30, 2011, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of \$10,937,260,500.00 from the state school aid fund and the sum of \$18,642,400.00 from the general fund. For the fiscal year ending September 30, 2011, there is also appropriated the remaining balance of the federal funding awarded to this state under title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5, estimated at \$184,256,600.00, to be used solely for the purpose of funding the primary funding formula calculated under section 20, in accordance with federal law. In addition, all other available federal funds, except those otherwise appropriated under section 11p, are appropriated for the fiscal year ending September 30, 2011.

(2) The appropriations under this section shall be allocated as provided in this act. Money appropriated under this section from the general fund shall be expended to fund the purposes of this act before the expenditure of money appropriated under this section from the state school aid fund. If the maximum amount appropriated under this section from the state school aid fund for a fiscal year exceeds the amount necessary to fully fund allocations under this act from the state school aid fund, that excess amount shall not be expended in that state fiscal year and shall not lapse to the general fund, but instead shall be deposited into the school aid stabilization fund created in section 11a. For 2009-2010 only, if the department determines before bookclosing for the 2009-2010 state fiscal year that the maximum amount appropriated under this section from the state school aid fund for 2009-2010 exceeds the amount necessary to fully fund allocations under this act from the state school aid fund for 2009-2010 and that state support for elementary and secondary education for 2009-2010 will fall below the level of support needed to comply with the maintenance of effort provisions under title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5, then there is appropriated for 2009-2010 from the school aid stabilization fund an amount equal to \$30,000,000.00 or the amount that the department determines is necessary for the state support for elementary and secondary education to meet the level

of support needed to comply with the maintenance of effort provisions under title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5, whichever is greater. The department shall use any funds appropriated under this subsection as follows:

(a) First, to allocate \$10,000,000.00 to provide funding to each intermediate district in an amount equal to the product of 14.75% multiplied by the amount of funding allocated to that intermediate district under section 81 for 2009-2010 under 2010 PA 110.

(b) Second, to allocate the amount necessary, estimated at \$10,000,000.00, to provide funding under this subdivision to districts for which the amount of per-pupil funding calculated and allocated under section 11p(2) is less than \$154.00. The payment to a district under this subdivision is an amount equal to the difference between \$154.00 and the per-pupil funding amount calculated and allocated under section 11p(2) for the district, multiplied by the district's 2010-2011 membership used for the October 2010 payment.

(c) Third, to allocate any remaining funds to reduce the amount of the per-pupil reduction under section 11d(1) for 2009-2010.

(3) If the maximum amount appropriated under this section from the state school aid fund and the school aid stabilization fund for a fiscal year exceeds the amount available for expenditure from the state school aid fund for that fiscal year, payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, 53a, 56, and 152a shall be made in full. In addition, for districts beginning operations after 1994-95 that qualify for payments under section 22b, payments under section 22b shall be made so that the qualifying districts receive the lesser of an amount equal to the 1994-95 foundation allowance of the district in which the district beginning operations after 1994-95 is located or \$5,500.00. The amount of the payment to be made under section 22b for these qualifying districts shall be as calculated under section 22a, with the balance of the payment under section 22b being subject to the proration otherwise provided under this subsection and subsection (4). If proration is necessary, state payments under each of the other sections of this act from all state funding sources shall be prorated in the manner prescribed in subsection (4) as necessary to reflect the amount available for expenditure from the state school aid fund for the affected fiscal year. However, if the department of treasury determines that proration will be required under this subsection, or if the department of treasury determines that further proration is required under this subsection after an initial proration has already been made for a fiscal year, the department of treasury shall notify the state budget director, and the state budget director shall notify the legislature at least 30 calendar days or 6 legislative session days, whichever is more, before the department reduces any payments under this act because of the proration. During the 30 calendar day or 6 legislative session day period after that notification by the state budget director, the department shall not reduce any payments under this act because of proration under this subsection. The legislature may prevent proration from occurring by, within the 30 calendar day or 6 legislative session day period after that notification by the state budget director, enacting legislation appropriating additional funds from the general fund, countercyclical budget and economic stabilization fund, state school aid fund balance, or another source to fund the amount of the projected shortfall.

(4) If proration is necessary under subsection (3), the department shall calculate the proration in district and intermediate district payments that is required under subsection (3) as follows:

(a) The department shall calculate the percentage of total state school aid allocated under this act for the affected fiscal year for each of the following:

(i) Districts.

(ii) Intermediate districts.

(iii) Entities other than districts or intermediate districts.

(b) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(i) for districts by reducing payments to districts. This reduction shall be made by calculating an equal dollar amount per pupil as necessary to recover this percentage of the proration amount and reducing each district's total state school aid from state sources, other than payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, 53a, and 152a, by that amount.

(c) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(ii) for intermediate districts by reducing payments to intermediate districts. This reduction shall be made by reducing the payments to each intermediate district, other than payments under sections 11f, 11g, 26a, 26b, 51a(2), 51a(12), 53a, 56, and 152a, on an equal percentage basis.

(d) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(iii) for entities other than districts and intermediate districts by reducing payments to these entities. This reduction shall be made by reducing the payments to each of these entities, other than payments under sections 11j, 26a, and 26b, on an equal percentage basis.

(5) Any general fund allocations under this act that are not expended by the end of the state fiscal year are transferred to the school aid stabilization fund created under section 11a.

Sec. 11d. (1) For 2009-2010 only, the department shall deduct an amount equal to \$154.00 per membership pupil from the total state school aid otherwise allocated under this act to each district, except for money allocated under sections 11g, 22a, 31d, 51a(12), 51c, and 53a. For 2010-2011, the department shall deduct an amount equal to \$170.00 per membership pupil from the total state school aid otherwise allocated under this act to each district, except for money allocated under sections 11g, 22a, 31d, 32d, 51a(12), 51c, 53a, and 152a. If a district complies with subsection (2), a district may choose to apply this reduction to funding the district receives under any provision of this act, other than sections 11g, 22a, 31d, 51a(12), 51c, 53a, and, beginning in 2010-2011, sections 32d and 152a, even if the reduction chosen by the district results in a program being reduced or discontinued. If a district does not comply with subsection (2), the district shall apply this reduction to available funding under section 22b first, up to the total amount of the reduction, before reducing other funding the district receives under this act, other than sections 11g, 22a, 31d, 51a(12), 51c, 53a, and 152a.

(2) Not later than February 1, 2010, a district shall enter into an agreement with the department to develop a service consolidation plan to reduce school operating costs that is in compliance with department guidelines. The department guidelines may identify, but are not limited to, allowable cost-sharing arrangements for the provision of business services and instructional services and the creation of joint operating agreements between and among districts and intermediate districts. The department shall establish guidelines for service consolidation plans under this subsection not later than 60 days after the effective date of this section.

(3) Not later than February 1, 2011, a district shall submit to the department, in the form and manner prescribed by the department, a report on the status of the district's implementation of the service consolidation plan the district submitted under subsection (2).

(4) In addition to developing a service consolidation plan under subsection (2), a district or intermediate district that purchases diesel fuel shall explore possibilities for coordinating regional purchasing of diesel fuel.

Sec. 11m. From the appropriations in section 11, there is allocated for 2009-2010 an amount not to exceed \$12,000,000.00 and for 2010-2011 there is allocated an amount not to exceed \$45,000,000.00 for fiscal year cash-flow borrowing costs solely related to the state school aid fund established by section 11 of article IX of the state constitution of 1963.

Sec. 11p. (1) In addition to the funds appropriated under section 11, for 2010-2011 only, there is appropriated the amount of the federal funding awarded to this state under section 101 of title I of Public Law 111-226, estimated at \$316,270,300.00, solely for the purposes identified in that section of federal law, to be distributed by funding those portions of the primary funding formulae that are calculated and allocated under this section.

(2) From the federal funding appropriated under subsection (1), there is allocated an amount not to exceed \$311,770,300.00 to provide to each district or public school academy for 2010-2011 only a 1-time portion of per-pupil funding to be allocated under this subsection. The department shall calculate and allocate the 1-time portion of per-pupil funding allocated to each district or public school academy under this subsection as follows:

(a) First, for each district or public school academy, calculate the amount that the district's foundation allowance or public school academy's per pupil allocation calculated under section 20 would be if the basic foundation allowance for 2010-2011 were \$8,600.00 if the maximum public school academy allocation for 2010-2011 were \$7,787.00 and if the \$20.00 amount in section 20(3)(a) and 20(26)(h) were instead \$35.00.

(b) Second, calculate the difference between the amount calculated for the district or public school academy under subdivision (a) and the amount of the district's foundation allowance or public school academy's per pupil allocation as actually calculated under section 20 for 2010-2011.

(c) Third, multiply the amount calculated under subdivision (b) times the district's or public school academy's 2010-2011 membership used for the October 2010 payment under this act.

(3) For 2010-2011 only, from the federal funding appropriated under subsection (1), there is allocated an amount not to exceed \$4,500,000.00 to provide a 1-time allocation of primary funding to each intermediate district in an amount equal to the product of 6.9% multiplied by the amount of funding allocated to that intermediate district under section 81 for 2010-2011 under 2010 PA 110.

(4) If there is money remaining under this section after the allocations under subsections (2) and (3) and after any amount that is unused under those subsections because a district or public school academy is unable to use its full allocation under subsection (2), then in addition to the amounts allocated under subsection (2) there is also allocated to each district and public school academy that received money under subsection (2) an amount equal to the district's or public school academy's relative proportion of the funding actually used under subsection (2) applied to that remaining money, calculated and distributed in a form and manner determined by the department.

(5) To be eligible to receive funds appropriated under this section, a district, intermediate district, or public school academy must meet 1 of the following:

(a) Has previously submitted an application to receive funding under the state fiscal stabilization fund as provided for under title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5.

(b) Submits an application for the funding under this section in a form and manner determined by the department.

(6) A recipient of funding under this section shall comply with all reporting requirements of section 1512 of the American recovery and reinvestment act of 2009, Public Law 111-5, and other reporting requirements established by the United States department of education for this funding.

Sec. 22a. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$5,796,241,000.00 for 2009-2010 and an amount not to exceed \$5,764,000,000.00 for 2010-2011 for payments to districts, qualifying university schools, and qualifying public school academies to guarantee each district, qualifying university school, and qualifying public school academy an amount equal to its 1994-95 total state and local per pupil revenue for school operating purposes under section 11 of article IX of the state constitution of 1963. Pursuant to section 11 of article IX of the state constitution of 1963, this guarantee does not apply to a district in a year in which the district levies a millage rate for school district operating purposes less than it levied in 1994. However, subsection (2) applies to calculating the payments under this section. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22b and 51c in order to fully fund those calculated allocations for the same fiscal year.

(2) To ensure that a district receives an amount equal to the district's 1994-95 total state and local per pupil revenue for school operating purposes, there is allocated to each district a state portion of the district's 1994-95 foundation allowance in an amount calculated as follows:

(a) Except as otherwise provided in this subsection, the state portion of a district's 1994-95 foundation allowance is an amount equal to the district's 1994-95 foundation allowance or \$6,500.00, whichever is less, minus the difference between the sum of the product of the taxable value per membership pupil of all property in the district that is nonexempt property times the district's certified mills and, for a district with certified mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is commercial personal property times the certified mills minus 12 mills and the quotient of the ad valorem property tax revenue of the district captured under tax increment financing acts divided by the district's membership. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur.

(b) For a district that had a 1994-95 foundation allowance greater than \$6,500.00, the state payment under this subsection shall be the sum of the amount calculated under subdivision (a) plus the amount calculated under this subdivision. The amount calculated under this subdivision shall be equal to the difference between the district's 1994-95 foundation allowance minus \$6,500.00 and the current year hold harmless school operating taxes per pupil. If the result of the calculation under subdivision (a) is negative, the negative amount shall be an offset against any state payment calculated under this subdivision. If the result of a calculation under this subdivision is negative, there shall not be a state payment or a deduction under this subdivision. The taxable values per membership pupil used in the calculations under this subdivision are as adjusted by ad valorem property tax revenue captured under tax increment financing acts divided by the district's membership.

(3) Beginning in 2003-2004, for pupils in membership in a qualifying public school academy or qualifying university school, there is allocated under this section to the authorizing body that is the fiscal agent for the qualifying public school academy for forwarding to the qualifying public school academy, or to the board of the public university operating the qualifying university school, an amount equal to the 1994-95 per pupil payment to the qualifying public school academy or qualifying university school under section 20.

(4) A district, qualifying university school, or qualifying public school academy may use funds allocated under this section in conjunction with any federal funds for which the district, qualifying university school, or qualifying public school academy otherwise would be eligible.

(5) For a district that is formed or reconfigured after June 1, 2000 by consolidation of 2 or more districts or by annexation, the resulting district's 1994-95 foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the average of the 1994-95 foundation allowances of each of the original or affected districts, calculated as provided in this section, weighted as to the percentage of pupils in total membership in the resulting district in the state fiscal year in which the consolidation takes place who reside in the geographic area of each of the original districts. If an affected district's 1994-95 foundation allowance is less than the 1994-95 basic foundation allowance, the amount of that district's 1994-95 foundation allowance shall be considered for the purpose of calculations under this subsection to be equal to the amount of the 1994-95 basic foundation allowance.

(6) As used in this section:

(a) "1994-95 foundation allowance" means a district's 1994-95 foundation allowance calculated and certified by the department of treasury or the superintendent under former section 20a as enacted in 1993 PA 336 and as amended by 1994 PA 283.

(b) "Certified mills" means the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94.

(c) "Current state fiscal year" means the state fiscal year for which a particular calculation is made.

(d) "Current year hold harmless school operating taxes per pupil" means the per pupil revenue generated by multiplying a district's 1994-95 hold harmless millage by the district's current year taxable value per membership pupil.

(e) "Hold harmless millage" means, for a district with a 1994-95 foundation allowance greater than \$6,500.00, the number of mills by which the exemption from the levy of school operating taxes on a homestead, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, and commercial personal property could be reduced as provided in section 1211 of the revised school code, MCL 380.1211, and the number of mills of school operating taxes that could be levied on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, as certified by the department of treasury for the 1994 tax year.

(f) "Homestead", "qualified agricultural property", "qualified forest property", "supportive housing property", "industrial personal property", and "commercial personal property" mean those terms as defined in section 1211 of the revised school code, MCL 380.1211.

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

(h) "Nonexempt property" means property that is not a principal residence, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, or commercial personal property.

(i) "Qualifying public school academy" means a public school academy that was in operation in the 1994-95 school year and is in operation in the current state fiscal year.

(j) "Qualifying university school" means a university school that was in operation in the 1994-95 school year and is in operation in the current fiscal year.

(k) "School operating taxes" means local ad valorem property taxes levied under section 1211 of the revised school code, MCL 380.1211, and retained for school operating purposes.

(l) "Tax increment financing acts" means 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

(m) "Taxable value per membership pupil" means each of the following divided by the district's membership:

(i) For the number of mills by which the exemption from the levy of school operating taxes on a homestead, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, and commercial personal property may be reduced as provided in section 1211 of the revised school code, MCL 380.1211, the taxable value of homestead, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, and commercial personal property for the calendar year ending in the current state fiscal year.

(ii) For the number of mills of school operating taxes that may be levied on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, the taxable value of all property for the calendar year ending in the current state fiscal year.

Sec. 51a. (1) From the appropriation in section 11, there is allocated for 2009-2010 an amount not to exceed \$1,016,342,000.00 and there is allocated for 2010-2011 an amount not to exceed \$1,057,883,000.00 from state sources and all available federal funding under sections 611 to 619 of part B of the individuals with disabilities education act, 20 USC 1411 to 1419, estimated at \$350,700,000.00 for 2009-2010 and estimated at \$385,700,000.00 for 2010-2011, plus any carryover federal funds from previous year appropriations. The allocations under this subsection are for the purpose of reimbursing districts and intermediate districts for special education programs, services, and special education personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to 380.1766; net tuition payments made by intermediate districts to the Michigan schools for the deaf and blind; and special education programs and services for pupils who are eligible for special education programs and services according to statute or rule. For meeting the costs of special education programs and services not reimbursed under this article, a district or intermediate district may use money in general funds or special education funds, not otherwise restricted, or contributions from districts to intermediate districts, tuition payments, gifts and contributions from individuals, or federal funds that may be available for this purpose, as determined by the intermediate district plan prepared pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. All federal funds allocated under this section in excess of those allocated under this section for 2002-2003 may be distributed in accordance with the flexible funding provisions of the individuals with disabilities education act, Public Law 108-446, including, but not limited to, 34 CFR 300.206 and 300.208. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(2) From the funds allocated under subsection (1), there is allocated each fiscal year the amount necessary, estimated at \$234,780,000.00 for 2009-2010 and estimated at \$248,200,000.00 for 2010-2011, for payments toward reimbursing districts and intermediate districts for 28.6138% of total approved costs of special education, excluding costs reimbursed

under section 53a, and 70.4165% of total approved costs of special education transportation. Allocations under this subsection shall be made as follows:

(a) The initial amount allocated to a district under this subsection toward fulfilling the specified percentages shall be calculated by multiplying the district's special education pupil membership, excluding pupils described in subsection (12), times the sum of the foundation allowance under section 20 of the pupil's district of residence plus the amount of the district's per pupil allocation under section 20j(2), not to exceed the basic foundation allowance under section 20 for the current fiscal year, or, for a special education pupil in membership in a district that is a public school academy or university school, times an amount equal to the amount per membership pupil calculated under section 20(6). For an intermediate district, the amount allocated under this subdivision toward fulfilling the specified percentages shall be an amount per special education membership pupil, excluding pupils described in subsection (12), and shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year, and that district's per pupil allocation under section 20j(2).

(b) After the allocations under subdivision (a), districts and intermediate districts for which the payments calculated under subdivision (a) do not fulfill the specified percentages shall be paid the amount necessary to achieve the specified percentages for the district or intermediate district.

(3) From the funds allocated under subsection (1), there is allocated each fiscal year for 2009-2010 and for 2010-2011 the amount necessary, estimated at \$1,329,000.00 for 2009-2010 and estimated at \$1,400,000.00 for 2010-2011, to make payments to districts and intermediate districts under this subsection. If the amount allocated to a district or intermediate district for a fiscal year under subsection (2)(b) is less than the sum of the amounts allocated to the district or intermediate district for 1996-97 under sections 52 and 58, there is allocated to the district or intermediate district for the fiscal year an amount equal to that difference, adjusted by applying the same proration factor that was used in the distribution of funds under section 52 in 1996-97 as adjusted to the district's or intermediate district's necessary costs of special education used in calculations for the fiscal year. This adjustment is to reflect reductions in special education program operations or services between 1996-97 and subsequent fiscal years. Adjustments for reductions in special education program operations or services shall be made in a manner determined by the department and shall include adjustments for program or service shifts.

(4) If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) is not sufficient to fulfill the specified percentages in subsection (2), then the shortfall shall be paid to the district or intermediate district during the fiscal year beginning on the October 1 following the determination and payments under subsection (3) shall be adjusted as necessary. If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) exceeds the sum of the amount necessary to fulfill the specified percentages in subsection (2), then the department shall deduct the amount of the excess from the district's or intermediate district's payments under this act for the fiscal year beginning on the October 1 following the determination and payments under subsection (3) shall be adjusted as necessary. However, if the amount allocated under subsection (2)(a) in itself exceeds the amount necessary to fulfill the specified percentages in subsection (2), there shall be no deduction under this subsection.

(5) State funds shall be allocated on a total approved cost basis. Federal funds shall be allocated under applicable federal requirements, except that an amount not to exceed \$3,500,000.00 may be allocated by the department each fiscal year for 2009-2010 and for 2010-2011 to districts, intermediate districts, or other eligible entities on a competitive grant basis for programs, equipment, and services that the department determines to be designed to benefit or improve special education on a statewide scale.

(6) From the amount allocated in subsection (1), there is allocated an amount not to exceed \$1,750,000.00 for 2009-2010 and an amount not to exceed \$2,200,000.00 for 2010-2011 to reimburse 100% of the net increase in necessary costs incurred by a district or intermediate district in implementing the revisions in the administrative rules for special education that became effective on July 1, 1987. As used in this subsection, "net increase in necessary costs" means the necessary additional costs incurred solely because of new or revised requirements in the administrative rules minus cost savings permitted in implementing the revised rules. Net increase in necessary costs shall be determined in a manner specified by the department.

(7) For purposes of this article, all of the following apply:

(a) "Total approved costs of special education" shall be determined in a manner specified by the department and may include indirect costs, but shall not exceed 115% of approved direct costs for section 52 and section 53a programs. The total approved costs include salary and other compensation for all approved special education personnel for the program, including payments for social security and medicare and public school employee retirement system contributions. The total approved costs do not include salaries or other compensation paid to administrative personnel who are not special education personnel as defined in section 6 of the revised school code, MCL 380.6. Costs reimbursed by federal funds, other than those federal funds included in the allocation made under this article, are not included. Special education approved personnel not utilized full time in the evaluation of students or in the delivery of special education programs, ancillary, and other related services shall be reimbursed under this section only for that portion of time actually spent

providing these programs and services, with the exception of special education programs and services provided to youth placed in child caring institutions or juvenile detention programs approved by the department to provide an on-grounds education program.

(b) Beginning with the 2004-2005 fiscal year, a district or intermediate district that employed special education support services staff to provide special education support services in 2003-2004 or in a subsequent fiscal year and that in a fiscal year after 2003-2004 receives the same type of support services from another district or intermediate district shall report the cost of those support services for special education reimbursement purposes under this act. This subdivision does not prohibit the transfer of special education classroom teachers and special education classroom aides if the pupils counted in membership associated with those special education classroom teachers and special education classroom aides are transferred and counted in membership in the other district or intermediate district in conjunction with the transfer of those teachers and aides.

(c) If the department determines before bookclosing for a fiscal year that the amounts allocated for that fiscal year under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56 will exceed expenditures for that fiscal year under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56, then for a district or intermediate district whose reimbursement for that fiscal year would otherwise be affected by subdivision (b), subdivision (b) does not apply to the calculation of the reimbursement for that district or intermediate district and reimbursement for that district or intermediate district shall be calculated in the same manner as it was for 2003-2004. If the amount of the excess allocations under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56 is not sufficient to fully fund the calculation of reimbursement to those districts and intermediate districts under this subdivision, then the calculations and resulting reimbursement under this subdivision shall be prorated on an equal percentage basis.

(d) Reimbursement for ancillary and other related services, as defined by R 340.1701c of the Michigan administrative code, shall not be provided when those services are covered by and available through private group health insurance carriers or federal reimbursed program sources unless the department and district or intermediate district agree otherwise and that agreement is approved by the state budget director. Expenses, other than the incidental expense of filing, shall not be borne by the parent. In addition, the filing of claims shall not delay the education of a pupil. A district or intermediate district shall be responsible for payment of a deductible amount and for an advance payment required until the time a claim is paid.

(e) Beginning with calculations for 2004-2005, if an intermediate district purchases a special education pupil transportation service from a constituent district that was previously purchased from a private entity; if the purchase from the constituent district is at a lower cost, adjusted for changes in fuel costs; and if the cost shift from the intermediate district to the constituent does not result in any net change in the revenue the constituent district receives from payments under sections 22b and 51c, then upon application by the intermediate district, the department shall direct the intermediate district to continue to report the cost associated with the specific identified special education pupil transportation service and shall adjust the costs reported by the constituent district to remove the cost associated with that specific service.

(8) From the allocation in subsection (1), there is allocated each fiscal year for 2009-2010 and for 2010-2011 an amount not to exceed \$15,313,900.00 to intermediate districts. The payment under this subsection to each intermediate district shall be equal to the amount of the 1996-97 allocation to the intermediate district under subsection (6) of this section as in effect for 1996-97.

(9) A pupil who is enrolled in a full-time special education program conducted or administered by an intermediate district or a pupil who is enrolled in the Michigan schools for the deaf and blind shall not be included in the membership count of a district, but shall be counted in membership in the intermediate district of residence.

(10) Special education personnel transferred from 1 district to another to implement the revised school code shall be entitled to the rights, benefits, and tenure to which the person would otherwise be entitled had that person been employed by the receiving district originally.

(11) If a district or intermediate district uses money received under this section for a purpose other than the purpose or purposes for which the money is allocated, the department may require the district or intermediate district to refund the amount of money received. Money that is refunded shall be deposited in the state treasury to the credit of the state school aid fund.

(12) From the funds allocated in subsection (1), there is allocated each fiscal year the amount necessary, estimated at \$6,200,000.00 for 2009-2010 and estimated at \$6,600,000.00 for 2010-2011, to pay the foundation allowances for pupils described in this subsection. The allocation to a district under this subsection shall be calculated by multiplying the number of pupils described in this subsection who are counted in membership in the district times the sum of the foundation allowance under section 20 of the pupil's district of residence plus the amount of the district's per pupil allocation under section 20j(2), not to exceed the basic foundation allowance under section 20 for the current fiscal year, or, for a pupil described in this subsection who is counted in membership in a district that is a public school academy or university school, times an amount equal to the amount per membership pupil under section 20(6). The allocation to an intermediate district under this subsection shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under

section 20 for the current fiscal year, and that district's per pupil allocation under section 20j(2). This subsection applies to all of the following pupils:

(a) Pupils described in section 53a.

(b) Pupils counted in membership in an intermediate district who are not special education pupils and are served by the intermediate district in a juvenile detention or child caring facility.

(c) Emotionally impaired pupils counted in membership by an intermediate district and provided educational services by the department of community health.

(13) If it is determined that funds allocated under subsection (2) or (12) or under section 51c will not be expended, funds up to the amount necessary and available may be used to supplement the allocations under subsection (2) or (12) or under section 51c in order to fully fund those allocations. After payments under subsections (2) and (12) and section 51c, the remaining expenditures from the allocation in subsection (1) shall be made in the following order:

(a) 100% of the reimbursement required under section 53a.

(b) 100% of the reimbursement required under subsection (6).

(c) 100% of the payment required under section 54.

(d) 100% of the payment required under subsection (3).

(e) 100% of the payment required under subsection (8).

(f) 100% of the payments under section 56.

(14) The allocations under subsections (2), (3), and (12) shall be allocations to intermediate districts only and shall not be allocations to districts, but instead shall be calculations used only to determine the state payments under section 22b.

(15) If a public school academy enrolls pursuant to this section a pupil who resides outside of the intermediate district in which the public school academy is located and who is eligible for special education programs and services according to statute or rule, or who is a child with disabilities, as defined under the individuals with disabilities education act, Public Law 108-446, the provision of special education programs and services and the payment of the added costs of special education programs and services for the pupil are the responsibility of the district and intermediate district in which the pupil resides unless the enrolling district or intermediate district has a written agreement with the district or intermediate district in which the pupil resides or the public school academy for the purpose of providing the pupil with a free appropriate public education and the written agreement includes at least an agreement on the responsibility for the payment of the added costs of special education programs and services for the pupil.

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

(a) "Membership" means for a particular fiscal year the total membership for the immediately preceding fiscal year of the intermediate district and the districts constituent to the intermediate district.

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

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

(2) From the allocation under section 51a(1), there is allocated an amount not to exceed \$39,281,100.00 for 2009-2010 and an amount not to exceed \$36,881,100.00 for 2010-2011 to reimburse intermediate districts levying millages for special education pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by these millages and governed by the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. As a condition of receiving funds under this section, an intermediate district distributing any portion of special education millage funds to its constituent districts shall submit for departmental approval and implement a distribution plan.

(3) Reimbursement for those millages levied in 2008-2009 shall be made in 2009-2010 at an amount per 2008-2009 membership pupil computed by subtracting from \$180,600.00 the 2008-2009 taxable value behind each membership pupil and multiplying the resulting difference by the 2008-2009 millage levied. Reimbursement for those millages levied in 2009-2010 shall be made in 2010-2011 at an amount per 2009-2010 membership pupil computed by subtracting from \$181,700.00 the 2009-2010 taxable value behind each membership pupil and multiplying the resulting difference by the 2009-2010 millage levied.

Sec. 152a. (1) As required by the court in the consolidated cases known as Adair v State of Michigan, Michigan supreme court docket nos. 137424 and 137453, from the state school aid fund money appropriated in section 11 there is allocated for 2010-2011 an amount not to exceed \$25,624,500.00 to be used solely for the purpose of paying necessary costs related to the state-mandated collection, maintenance, and reporting of data to this state.

(2) From the allocation in subsection (1), the department shall make payments to districts and intermediate districts in an equal amount per pupil based on the total number of pupils in membership in each district and intermediate district. The department shall not make any adjustment to these payments after the final installment payment under section 17b is made.

Enacting section 1. (1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act, in 2010 PA 204, and in 2010 PA 110 from state sources for fiscal year 2010-2011 is estimated at \$10,955,902,900.00 and state appropriations to be paid to local units of government for fiscal year 2010-2011 are estimated at \$10,824,041,900.00.

(2) In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act, in 2010 PA 110, and in 2009 PA 121 from state sources for fiscal year 2009-2010 is estimated at \$10,645,097,700.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,562,169,000.00.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor



**STATE POLICE**



Act No. 163  
Public Acts of 2010  
Approved by the Governor  
September 23, 2010  
Filed with the Secretary of State  
September 23, 2010  
EFFECTIVE DATE: September 23, 2010

**STATE OF MICHIGAN  
95TH LEGISLATURE  
REGULAR SESSION OF 2010**

Introduced by Rep. LeBlanc

# ENROLLED HOUSE BILL No. 5888

AN ACT to make appropriations for the department of state police and certain other state purposes for the fiscal year ending September 30, 2011; to provide for the expenditure of those appropriations; to provide for certain reports and the consideration of those reports; to provide for the disposition of other income received by the various state agencies; to provide for certain emergency powers; to provide for the powers and duties of certain committees, certain state agencies, and certain employees; and to provide for the acquisition and disposition of certain real and personal property.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of state police for the fiscal year ending September 30, 2011, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF STATE POLICE**

**APPROPRIATION SUMMARY**

Full-time equated unclassified positions .....	1.0		
Full-time equated classified positions .....	2,764.0		
<b>GROSS APPROPRIATION .....</b>		<b>\$</b>	<b>529,231,400</b>
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers.....			24,143,800
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$</b>	<b>505,087,600</b>
Federal revenues:			
Total federal revenues .....			103,934,200
Special revenue funds:			
Total local revenues.....			6,257,500
Total private revenues.....			269,800
Total state restricted revenues.....			134,242,900
State general fund/general purpose .....		<b>\$</b>	<b>260,383,200</b>

**Sec. 102. EXECUTIVE DIRECTION**

Full-time equated unclassified positions .....	1.0	
Full-time equated classified positions .....	42.5	
Unclassified positions .....		\$ 150,000
Executive direction—21.0 FTE positions .....		2,411,800
Special operations and events—17.5 FTE positions .....		2,015,700
Auto theft prevention program—4.0 FTE positions .....		8,042,300
GROSS APPROPRIATION .....		\$ 12,619,800
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDTR, casino gaming fees .....		27,500
IDT, truck safety fund .....		10,100
Special revenue funds:		
Auto theft prevention fund .....		8,042,300
Motor carrier fees .....		38,000
Criminal justice information center fees .....		72,300
Forensic science reimbursement fees .....		11,400
Highway safety fund .....		47,300
Narcotics investigation revenues .....		5,400
Nuclear plant emergency planning and reimbursement .....		9,800
State forensic laboratory fund .....		11,800
Traffic law enforcement and safety fund .....		60,500
State general fund/general purpose .....		\$ 4,283,400

**Sec. 103. DEPARTMENTWIDE APPROPRIATIONS**

Special maintenance and utilities .....		\$ 447,600
Rent and building occupancy charges .....		9,843,000
Worker's compensation .....		3,309,600
Fleet leasing .....		12,980,700
In-service training - law enforcement distribution .....		450,000
In-service training - competitive .....		1,000,000
Narcotics investigation funds .....		265,100
GROSS APPROPRIATION .....		\$ 28,296,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG, training academy charges .....		283,500
IDT, Michigan justice training fund .....		1,450,000
Federal revenues:		
Federal narcotics investigation revenues .....		95,000
DOT .....		25,200
DHS .....		177,500
Special revenue funds:		
Forensic science reimbursement fee .....		100,700
Narcotics investigation revenues .....		170,100
State forensic laboratory fund .....		100,700
Criminal justice information center service fees .....		199,500
Secondary road patrol and training fund .....		17,900
Hazardous materials training center fees .....		105,100
Michigan justice training fund .....		29,800
Motor carrier fees .....		7,500
Highway safety fund .....		7,800
Traffic law enforcement and safety fund .....		15,400
State general fund/general purpose .....		\$ 25,510,300

**Sec. 104. SUPPORT SERVICES**

Full-time equated classified positions .....	196.5	
Management services—136.0 FTE positions .....		\$ 13,641,900
Training administration—32.0 FTE positions .....		5,856,400

	For Fiscal Year Ending Sept. 30, 2011
Budget and financial services—24.5 FTE positions .....	\$ 2,647,800
Office of justice program grants—4.0 FTE positions .....	8,496,900
<b>GROSS APPROPRIATION .....</b>	<b>\$ 30,643,000</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDT, auto theft funds .....	2,500
IDG, training academy charges .....	3,338,500
IDT, truck safety fund .....	30,800
IDG-MDOT, state trunkline fund .....	3,000
IDG-MDTR, casino gaming fees .....	107,500
IDG-MDTR, emergency telephone fund coordinator.....	536,500
IDG-MDTR, emergency telephone fund operations .....	478,600
IDG-MDOS .....	2,000
IDG-MDOC, contract .....	50,000
Federal revenues:	
DOJ.....	372,700
DOJ interest bearing .....	8,124,200
DOT.....	487,800
Special revenues funds:	
Local - LEIN fees .....	3,800
Local - MPSCS subscriber fees.....	28,100
Local - school bus revenue.....	1,700
Highway safety fund.....	179,500
Nuclear plant emergency planning reimbursement.....	39,300
Precision driving track fees .....	287,200
Criminal justice information center service fees .....	817,900
Traffic law enforcement and safety fund.....	178,300
Reimbursed services .....	1,301,700
Forensic science reimbursement fees .....	36,000
Michigan justice training fund.....	3,700
Narcotics investigation revenues.....	27,400
State forensic laboratory fund.....	36,100
State services fee fund .....	13,500
Motor carrier fees.....	156,700
State general fund/general purpose .....	\$ 13,998,000

**Sec. 105. HIGHWAY SAFETY PLANNING**

Full-time equated classified positions.....	30.0
State program planning and administration—8.0 FTE positions .....	\$ 1,030,300
Secondary road patrol program—2.0 FTE positions .....	14,037,000
Truck safety program—1.0 FTE position .....	3,008,800
Federal highway traffic safety coordination—19.0 FTE positions.....	12,572,900
<b>GROSS APPROPRIATION .....</b>	<b>\$ 30,649,000</b>
Appropriated from:	
Federal revenues:	
DOT.....	12,503,900
DOJ.....	579,000
Special revenue funds:	
Truck driver safety fund .....	3,008,800
Secondary road patrol and training fund .....	14,037,000
State general fund/general purpose .....	\$ 520,300

**Sec. 106. CRIMINAL JUSTICE INFORMATION CENTER**

Full-time equated classified positions.....	128.0
Criminal justice information center division—108.0 FTE positions .....	\$ 10,812,900
Criminal records improvement—1.0 FTE position .....	2,249,300
Traffic safety—19.0 FTE positions.....	1,886,400
<b>GROSS APPROPRIATION .....</b>	<b>\$ 14,948,600</b>

Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDOS .....	\$ 337,200
IDG-MDOT, state trunkline fund .....	874,600
Federal revenues:	
DOJ.....	2,249,300
DOT.....	482,100
Special revenue funds:	
Traffic crash revenue .....	80,000
Motor carrier fees.....	112,500
Sex offender registration fund.....	63,100
Criminal justice information center service fees .....	9,475,400
State general fund/general purpose .....	\$ 1,274,400

**Sec. 107. FORENSIC SCIENCES**

Full-time equated classified positions .....	269.5
Laboratory operations—212.0 FTE positions .....	\$ 28,488,600
DNA analysis program—57.5 FTE positions .....	8,167,000
Detroit laboratory.....	100
GROSS APPROPRIATION .....	\$ 36,655,700

Appropriated from:	
Federal revenues:	
DOJ.....	4,169,000
DOT.....	655,900
Federal narcotics investigation revenues .....	510,200
Special revenue funds:	
Forensic science reimbursement fees .....	1,515,900
State forensic laboratory fund.....	1,795,500
Narcotic investigation revenues .....	1,705,000
Criminal justice information center service fees .....	60,200
State services fee fund .....	9,505,900
State general fund/general purpose .....	\$ 16,738,100

**Sec. 108. MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS**

Full-time equated classified positions .....	22.0
Standards and training/justice training grants—20.0 FTE positions .....	\$ 9,004,000
Concealed weapons enforcement training.....	100,000
Training only to local units—2.0 FTE positions.....	622,700
Mental health awareness training .....	100,000
Public safety officers benefit program.....	149,600
GROSS APPROPRIATION .....	\$ 9,976,300

Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDOC, contract .....	100,000
Federal revenues:	
DOJ.....	175,000
Special revenue funds:	
Secondary road patrol and training fund .....	622,700
Michigan justice training fund.....	8,006,400
Licensing fees.....	9,100
Concealed weapons enforcement fee.....	100,000
State general fund/general purpose .....	\$ 963,100

**Sec. 109. EMERGENCY MANAGEMENT**

Full-time equated classified positions .....	80.5
Emergency management planning and administration—31.0 FTE positions .....	\$ 5,390,600
Grants to local government .....	2,482,100
FEMA program assistance—18.0 FTE positions .....	4,904,000

	For Fiscal Year Ending Sept. 30, 2011
Nuclear power plant emergency planning—6.0 FTE positions .....	\$ 1,799,300
Hazardous materials programs—25.5 FTE positions .....	47,217,600
Interdepartmental grant to legislature .....	200,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 61,993,600</b>
Appropriated from:	
Federal revenues:	
DOT .....	584,800
DHS .....	55,547,400
Special revenue funds:	
Nuclear plant emergency planning reimbursement .....	1,799,300
Hazardous materials training center fees .....	1,508,200
State general fund/general purpose .....	\$ 2,553,900
 <b>Sec. 110. POST UNIFORM SERVICES</b>	
Full-time equated classified positions .....	1,387.0
Uniform services—372.0 FTE positions .....	\$ 43,919,500
Capitol security guards—7.0 FTE positions .....	642,900
At-post troopers—1,008.0 FTE positions .....	139,235,800
Reimbursed services .....	1,879,500
<b>GROSS APPROPRIATION</b> .....	<b>\$ 185,677,700</b>
Appropriated from:	
Special revenue funds:	
Criminal justice information center service fees .....	785,600
Narcotics investigation revenues .....	1,033,600
Highway safety fund .....	15,325,700
Traffic law enforcement and safety fund .....	28,918,700
Trooper school recruitment fund .....	1,000
State police service fees .....	1,879,500
State general fund/general purpose .....	\$ 137,733,600
 <b>Sec. 111. STATEWIDE FIELD OPERATIONS</b>	
Full-time equated classified positions .....	61.0
Operational support—54.0 FTE positions .....	\$ 6,912,200
Aviation program—7.0 FTE positions .....	1,495,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 8,407,200</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDOC, contract .....	105,300
Special revenue funds:	
Private donations .....	269,800
Rental of department aircraft .....	51,800
State general fund/general purpose .....	\$ 7,980,300
 <b>Sec. 112. SPECIAL INVESTIGATIONS</b>	
Full-time equated classified positions .....	342.0
Criminal investigations—217.0 FTE positions .....	\$ 30,017,900
Federal antidrug initiatives—65.5 FTE positions .....	8,756,400
Reimbursed services, materials, and equipment—0.5 FTE position .....	2,688,000
Auto theft prevention—13.0 FTE positions .....	1,413,500
Casino gaming oversight—32.0 FTE positions .....	4,625,100
Fire investigation—14.0 FTE positions .....	1,679,700
Fire investigation training to locals .....	50,000
Parole absconder sweeps .....	10,900
<b>GROSS APPROPRIATION</b> .....	<b>\$ 49,241,500</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDT, auto theft funds .....	1,027,000
IDG-MDTR, casino gaming fees .....	4,625,100

Federal revenues:	
Federal investigations - reimbursed services .....	\$ 764,100
DOJ.....	3,656,800
DOJ (ARRA) .....	2,000,000
Federal narcotics investigation revenues .....	463,800
Special revenue funds:	
Local - reimbursed services.....	1,923,900
Narcotics investigation revenues.....	719,100
Michigan merit award trust fund.....	629,900
Forfeiture funds.....	576,600
State general fund/general purpose .....	\$ 32,855,200

**Sec. 113. TRAFFIC SAFETY**

Full-time equated classified positions.....	205.0
Motor carrier enforcement—101.0 FTE positions.....	\$ 11,185,900
Truck safety enforcement team operations—10.0 FTE positions.....	1,375,000
Safety inspections—63.0 FTE positions .....	6,943,400
School bus inspections—4.0 FTE positions.....	421,000
Safety projects—10.0 FTE positions .....	1,712,100
Traffic services—17.0 FTE positions .....	5,144,600
GROSS APPROPRIATION .....	\$ 26,782,000

Appropriated from:

Interdepartmental grant revenues:	
IDT, truck safety fund .....	1,375,000
IDG-MDOT, state trunkline fund .....	8,939,400

Federal revenues:

DOT.....	8,936,400
Special revenue funds:	
Local school bus revenue .....	421,000
Drunk driving prevention and training fund.....	1,180,700
Motor carrier fees.....	4,374,700
State general fund/general purpose .....	\$ 1,554,800

**Sec. 114. INFORMATION TECHNOLOGY**

Information technology services and projects.....	\$ 20,203,000
Michigan public safety communications system.....	13,138,000
GROSS APPROPRIATION .....	\$ 33,341,000

Appropriated from:

Interdepartmental grant revenues:	
IDG-MDTR, casino gaming fees .....	91,100
IDG-MDOT, state trunkline fund .....	250,600
IDG, training academy charges .....	8,500
IDG-MDOS .....	4,500
IDG-MDTR, emergency telephone fund coordinator.....	4,700
IDG-MDTR, emergency telephone fund operations .....	64,500
IDG - auto theft funds .....	5,700
IDT - truck safety fund .....	10,100

Federal revenues:

DOJ.....	539,700
DHS.....	619,500
DOT.....	214,900

Special revenue funds:

Local - LEIN fees .....	2,159,800
Local - AFIS fees .....	77,400
Local - MPSCS subscriber and maintenance fees .....	1,639,900
Local - school bus revenue.....	1,900
Criminal justice information center service fees .....	4,515,500
Drunk driving prevention and training fund.....	1,900

	For Fiscal Year Ending Sept. 30, 2011
Forensic science reimbursement fees .....	\$ 66,100
Hazardous materials center fees.....	1,900
Michigan justice training fund.....	44,600
Narcotics investigation revenue .....	13,100
Nuclear plant emergency planning reimbursement.....	4,900
Precision driving track fees .....	300
Secondary road patrol and training fund .....	397,400
Sex offender registration fund .....	216,300
State forensic laboratory fund.....	162,800
Reimbursed services .....	157,400
Motor carrier fees .....	257,400
Commercial mobile radio service fees.....	7,000,000
Traffic law enforcement and safety fund.....	79,000
Highway safety fund .....	49,200
Michigan merit award trust fund.....	1,000
State services fee fund .....	30,300
Traffic crash revenue .....	231,300
State general fund/general purpose .....	\$ 14,417,800

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2010-2011 is \$394,626,100.00 and state spending from state resources to be paid to local units of government for fiscal year 2010-2011 is \$19,466,900.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF STATE POLICE  
OFFICE OF HIGHWAY SAFETY PLANNING

Secondary road patrol program .....	\$ 13,921,900
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MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS

Training only to local units .....	\$ 410,800
Justice training grants.....	\$ 4,605,600

SPECIAL INVESTIGATIONS

Fire investigation training for locals.....	\$ 50,000
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SUPPORT SERVICES

Management services.....	\$ 478,600
Total.....	\$ 19,466,900

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

Sec. 203. As used in this act:

- (a) "AFIS" means the automated fingerprint identification system.
- (b) "ARRA" means the American recovery and reinvestment act of 2009.
- (c) "Department" means the department of state police.
- (d) "DHS" means the United States department of homeland security.
- (e) "DNA" means deoxyribonucleic acid.
- (f) "DOJ" means the United States department of justice.

- (g) "DOT" means the United States department of transportation.
- (h) "FEMA" means the federal emergency management agency.
- (i) "FTE" means full-time equated.
- (j) "IDG" means interdepartmental grant.
- (k) "IDT" means intradepartmental transfer.
- (l) "LEIN" means law enforcement information network.
- (m) "MCOLES" means the Michigan commission on law enforcement standards.
- (n) "MDCH" means the Michigan department of community health.
- (o) "MDMB" means the Michigan department of technology, management, and budget.
- (p) "MDOC" means the Michigan department of corrections.
- (q) "MDOS" means the Michigan department of state.
- (r) "MDOT" means the Michigan department of transportation.
- (s) "MDTR" means the Michigan department of treasury.
- (t) "MPSCS" means the Michigan public safety communications system.

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

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

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

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

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

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

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

Sec. 211. It is the intent of the legislature that personnel of the department who request and are eligible for reimbursement of expenses related to the operation of the department be reimbursed from the appropriations provided in this act within 30 days after submitting a request, or the eligible personnel shall be paid an additional amount equal to 0.75% of the payment due. The department shall pay an additional amount equal to 0.75% of the payment due for the first month and each succeeding month or portion of a month the payment remains past due.

Sec. 213. (1) It is the intent of the legislature that the department shall not provide any subsidy for contractual services it provides.

(2) When the department provides contractual services to a local unit of government, the department shall be reimbursed for all costs incurred in providing the services, including, but not limited to, retirement and overtime costs.

(3) Contractual services provided to an entity other than a local unit of government may be provided by department personnel, but only on an overtime basis outside the normal work schedule of the personnel.

(4) This section does not apply to state agencies.

Sec. 214. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow all federal guidelines and state laws regarding short-term and long-term retention of records.

Sec. 215. Not later than January 1, 2011, the department shall report to the state police appropriations subcommittees of the house and senate and the house and senate fiscal agencies. The report shall contain the following information regarding the department's activities related to casino gaming oversight during fiscal year 2009-2010:

(a) The amount of money received and expended.

(b) The nature and structure of the casino gaming oversight unit.

(c) The positions and classifications of employees assigned.

(d) The number of full-time and part-time employees and the aggregate number of FTEs.

(e) The number of enlisted and civilian positions.

(f) The duties and responsibilities of the assigned employees.

(g) The immediate past position of the enlisted employees assigned.

Sec. 216. The department shall collect and computerize the vehicle identification number (VIN) of all vehicles that are entered into the state accident data collection system and make this and other vehicle information available to the public at cost. For bulk access to the accident records in which the VIN has been collected and computerized, the department shall make those records available to the public at cost, provided that the name and address have been excluded.

Sec. 217. From the funds appropriated in part 1, the department shall maintain a toll-free hotline in collaboration with the department of education. The toll-free hotline shall be operated 24 hours per day, 7 days per week, and shall provide students, school officials, and other individuals an opportunity to report specific threats of imminent school violence or other suspicious or criminal conduct by juveniles to the appropriate local law enforcement entities for investigation. The department may expend funds for the promotion of the hotline.

Sec. 218. (1) Funds appropriated in part 1 for at-post troopers shall only be expended for trooper salaries, wages, benefits, retirement, equipment, supplies, and other expenses directly related to state troopers assigned to general law enforcement duties at a department post, detachment, satellite office, or a resident trooper function.

(2) It is the intent of the legislature that every effort be made to identify funding sufficient to conduct a trooper school for the purpose of working toward the goal of establishing a minimum at-post trooper strength of 1,075 in this state.

(3) The department shall submit quarterly written reports to the senate and house appropriations subcommittees on state police and military and veterans affairs no later than December 1, 2010, March 1, 2011, June 1, 2011, and September 1, 2011 which shall include a trooper strength report and the status of the department's plan for accomplishing the goal of subsection (2). If the department determines that insufficient appropriations exist under part 1 to accomplish the goal of subsection (2), the department shall submit a proposal outlining a plan to accomplish the goal, including an accounting of any additional funding necessary to that end.

Sec. 219. The department of state police shall notify the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies not less than 180 days before recommending to close or consolidate any state police posts. The notification shall include a local and state impact study of the proposed post closure or consolidation.

Sec. 220. The department of state police, in keeping with its role as the general law enforcement agency of the state and as the law enforcement agency of last resort for communities that are either without local law enforcement resources or are seriously underserved by local law enforcement resources, shall provide general law enforcement assistance to those communities until adequate law enforcement services can be provided to those communities by other means.

Sec. 221. The department of state police may pursue entering into an agreement with Calhoun County to build a new facility in Marshall which would serve as a new state police post to replace the current state police post in Battle Creek.

Sec. 223. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2011 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

(3) Not later than January 1, 2011, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the chairs and members of the senate and house of representatives standing committees on appropriations, the fiscal agencies, and the state budget director. The report shall include the following information:

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

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

Sec. 226. The department of state police, in cooperation with the department of technology, management, and budget, shall take steps to encourage the development of state, local, and regional tactical interoperable communication plans with the ultimate goal being to ensure that effective and efficient communication interoperability between radio communication systems of local, regional, state, and federal agencies is established in every area of the state. The department shall provide a written report to the senate and house appropriations subcommittees on state police and military and veterans affairs no later than April 1, 2011 on the current status of reaching this objective. The report shall include an accounting of exactly where within the state desired interoperability has been achieved and what cooperative measures and use of technology were used to achieve this interoperability, and which areas of the state have not yet achieved such status. The report shall also include a description of what strategies need to be employed to ensure that the remaining areas of the state, and the state as a whole, will have a communication system with efficient and effective interoperability, particularly on occasions when a multijurisdictional response to an emergency is warranted.

Sec. 232. The department shall place emphasis on recruiting MCOLES certified police officers for the trooper recruit school. Emphasis shall be given in the hiring process to those officers who are on layoff and possess valid MCOLES certification. Any emphasis given in the recruiting and selection process shall be consistent with the department's hiring standards and in accordance with civil service rules. The department shall report to the chairpersons of the senate and house of representatives standing committees on appropriations the results of its recruitment and selection process, including the actual number of certified officers selected for any recruit school that is held by September 30, 2011.

Sec. 234. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 235. (1) If a spending plan for the funds appropriated in part 1 for special operations and events, or sources of financing related to the spending plan, do not provide the level of program service provided for in the current fiscal year, the funds appropriated in part 1 for post uniform services or forensic sciences shall not be used to fund the shortfall.

(2) If a spending plan for the funds appropriated in part 1 for special operations and events, or sources of financing related to the spending plan, are in excess of that necessary to provide the level of program service provided for in the current fiscal year, the department shall take steps to transfer whatever excess funding may exist to the funds appropriated in part 1 for post uniform services and forensic sciences.

Sec. 238. The department of technology, management, and budget shall work with the department of state police to reduce building operations and leasing costs for all Michigan state police facilities and to identify efficiencies and savings.

Sec. 239. It is the intent of the legislature that, should funding become available, funds may be appropriated to the department for traffic control purposes at the Michigan international speedway.

Sec. 240. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$10,000,000.00 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 \$3,500,000.00 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 \$1,000,000.00 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 \$200,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 241. The department shall provide \$1,800,000.00 in Byrne justice assistance grant program funding to the judiciary by interdepartmental grant.

Sec. 242. Not later than September 30, 2011, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 245. The department shall work cooperatively with the department of human services to coordinate the functions of the state police LEIN system and the department of human services bridges case management system to provide obtainable data that will allow authorized users of the bridges case management system to identify those persons who may be ineligible to receive certain assistance services due to their law enforcement status. The department shall deliver a report on this effort to the senate and house appropriations subcommittees on state police and military and veterans affairs not later than May 1, 2011.

Sec. 253. From the funds appropriated in part 1, the department, working with MDMB, shall use an amount not to exceed \$10,000.00 to develop and maintain a publicly accessible Internet site to post all expenditures made by the department for the fiscal year. The posting of expenditures shall include the purpose for which each expenditure was made. The department is not required to hire additional employees to comply with this section.

Sec. 254. On a bimonthly basis, the department shall report on the number of FTEs in pay status by civil service classification to the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies.

## **INFORMATION TECHNOLOGY**

Sec. 301. During fiscal year 2010-2011, an agency shall not be billed a user fee to support the LEIN system except for those agencies with an outstanding balance related to prior years' LEIN user fees. Those agencies with an outstanding balance shall be billed a LEIN user fee based upon the rate schedule established for fiscal year 2009-2010.

Sec. 302. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of technology, management, and budget for technology-related services and projects. These user fees shall be subject to provisions of an interagency agreement between the department and the department of technology, management, and budget.

Sec. 303. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of technology, management, and budget. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 304. A portion of the funds appropriated in part 1 shall be used by the department to produce a written report detailing departmental policies regarding access to and use of information from the LEIN system. The report shall include a description of departmental measures to protect the security of information in the LEIN system including safeguards that would prevent unauthorized persons from obtaining information from the LEIN system. The department shall submit a copy of this report to the senate and house appropriations committees not later than April 1, 2011.

Sec. 305. The criminal justice information systems policy council shall encourage members of the law enforcement agencies in the state to be sensitive to, and note when necessary, activities or circumstances that may suggest the unauthorized access or misuse of information from the LEIN system. The criminal justice information systems policy council shall advise LEIN auditors, as a part of their audit of law enforcement agencies, to investigate in depth all suspected incidents of improper access or improper use of information from the LEIN system and determine whether or not those incidents were illegal. In those incidents that may be determined to be illegal, the executive secretary for the council shall determine whether those incidents were of a negligent or criminal nature. If an incident is determined to be an illegal act, the council shall inform the chairs of both the senate and house appropriations committees.

Sec. 306. (1) The department of state police, working with the criminal justice information systems policy council, shall implement procedures by which all probation information is placed on the LEIN system. The LEIN system shall include information on each probationer, including any probation conditions placed on a probationer and the name of the probation officer assigned to a probationer. The LEIN system shall also include any nonstandard probation terms.

(2) If the department determines that amendments to the code of criminal procedure, 1927 PA 175, MCL 760.1 to 777.69, are required to include all probation information on the LEIN system, the department shall deliver to members of the senate and house appropriations subcommittees on state police and military affairs amendments to the code of criminal procedure, 1927 PA 175, MCL 760.1 to 777.69, that, in the department's view, are necessary to accomplish this goal. These proposed amendments shall be delivered to subcommittee members not later than December 1, 2010.

Sec. 307. The department of state police shall serve as an active liaison between the department of technology, management, and budget and local public safety agencies to facilitate the use of the Michigan public safety communications system towers by those local public safety agencies that have an interest in using the towers as a part of their own communications system. The department of state police shall deliver a written report to the senate and house appropriations subcommittees on state police and military and veterans affairs by April 1, 2011, which shall include an assessment of the progress toward establishing local public safety agency use of the Michigan public safety communications system towers, an accounting of problems that may be preventing local use of the towers, and any recommendations the department has that may foster this utilization.

Sec. 308. The department of state police shall report any LEIN fee increase to the senate and house appropriations subcommittees on state police and military and veterans affairs 60 days prior to the effective date of that increase. The report shall contain the following information: the current fee structure and the total revenue earned each year; the new fee structure and the total revenue it is expected to earn annually; the total annual cost of the LEIN system; and the total amount of LEIN fees paid by the department under both the old and the new structure.

Sec. 309. From the funds appropriated in part 1 for information technology, the department may develop and issue a request for proposal for the development, implementation, and maintenance of an electronic system for real-time enforcement of section 3101 of the insurance code of 1956, 1956 PA 218, MCL 500.3101.

Sec. 310. It is the intent of the legislature that the Michigan public safety communications system (MPSCS) begin the necessary expansion and upgrade of the system to allow for more local users to utilize the system. The MPSCS shall use restricted fund dollars, federal funds, and other non-general fund/general purpose funds for this purpose.

## **HIGHWAY SAFETY PLANNING**

Sec. 401. On a biannual basis, the department shall report to the senate and house appropriations subcommittees on state police and military and veterans affairs on the status of assessments collected and authorized under section 629e of the Michigan vehicle code, 1949 PA 300, MCL 257.629e, for the purposes of supporting the secondary road patrol grant program. Each biannual report shall contain updated information on collection levels, revised projected grant allotments to counties for the year, a comparison of projected collections and grant distribution levels with the funds appropriated in part 1 for the secondary road patrol program, and the extent collection levels have exceeded or failed to meet appropriated levels for the current fiscal year or expenditure levels from the previous fiscal year.

## **FORENSIC SCIENCES**

Sec. 501. When changes are made to the department's protocol for retaining and purging DNA analysis samples and records, the department shall post a copy of the protocol changes on the department's website.

Sec. 502. The department shall work with the department of community health, the Michigan health and hospital association, the Michigan state medical society, and the Michigan nurses association to ensure that the recommendations included in the "Standard Recommended Procedures for the Emergency Treatment of Sexual Assault Victims" are followed in the collection of evidence.

## **MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS**

Sec. 601. The money appropriated to the MCOLES for maintenance and delivery of training to locals is provided in accordance with a state reimbursement policy in which 100% of the determined state reimbursement rate shall be distributed upon certification by the MCOLES.

Sec. 603. The appropriation in part 1 for mental health awareness training and coordination shall be expended for training law enforcement officers, mental health practitioners, and other criminal justice personnel in effective and safe ways of assisting people with mental illness and directing people with mental disorders to treatment programs.

Sec. 604. From the funds appropriated in part 1 to the Michigan commission on law enforcement standards funds may be used to provide training for motor carrier officers and capitol security officers for the purpose of qualifying them for MCOLES certification.

## **EMERGENCY MANAGEMENT**

Sec. 801. (1) The state director of emergency management may expend money appropriated under this act to call upon any agency or department of the state or any resource of the state to protect life or property or to provide for the health or safety of the population in any area of the state in which the governor proclaims a state of emergency or state of disaster under 1945 PA 302, MCL 10.31 to 10.33, or under the emergency management act, 1976 PA 390, MCL 30.401 to 30.421. The state director of emergency management may expend the amounts the director considers necessary to accomplish these purposes. The director shall submit to the state budget director as soon as possible a complete report of all actions taken under the authority of this section. The report shall contain, as a separate item, a statement of all money expended that is not reimbursable from federal money. The state budget director shall review the expenditures and submit recommendations to the legislature in regard to any possible need for a supplemental appropriation.

(2) In addition to the money appropriated in this act, the department may receive and expend money from local, private, federal, or state sources for the purpose of providing emergency management training to local or private interests and for the purpose of supporting emergency preparedness, response, recovery, and mitigation activity. If additional expenditure authorization in the Michigan administrative information network is approved by the state budget office under this section, the department and the state budget office shall notify the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies within 10 days after the approval. The notification shall include the amount and source of the additional authorization, the date of its approval, and the projected use of funds to be expended under the authorization.

Sec. 803. The department's emergency management division shall make every effort to ensure both of the following:

(a) That homeland security grants offered by the federal government and channeled through the department are allocated to first responder entities in the highest percentage possible.

(b) That homeland security grants awarded to the city of Detroit shall not be used to supplant city general funds designated to support first responder operations.

### **POST UNIFORM SERVICES**

Sec. 901. State police enlisted personnel who are employed to enforce traffic laws as provided in section 629e of the Michigan vehicle code, 1949 PA 300, MCL 257.629e, shall not be prohibited from responding to crimes in progress or other emergency situations, and are responsible for protecting every citizen of this state from harm.

Sec. 902. From the funds appropriated in part 1 for capitol security guards, the department shall use these funds for security services at the state capitol building. However, this shall not preclude the capitol security guards from responding to emergencies at the house office building, Farnum building, capitol parking lot, and Roosevelt parking ramp.

### **STATEWIDE FIELD OPERATIONS**

Sec. 1002. Money privately donated to the department is appropriated under part 1 to be used for the purposes designated by the donor of the money. Money privately donated to the department's canine unit shall be used to purchase equipment and other items to enhance the operation of the canine unit. It is the intent of the legislature that money from private donations not supplant general fund appropriations.

### **SPECIAL INVESTIGATIONS**

Sec. 1101. (1) There is sufficient money appropriated in part 1 to special investigations to ensure that the citizens in a service area of any state police post in the vicinity of a state prison do not experience a downgrading of state police services in their area. Special investigations shall be available by temporary or permanent assignment of a detective when either a temporary or permanent prison facility is opened.

(2) If the department is unable to comply with subsection (1) and there is a prison scheduled to open, the department shall provide troopers to serve as investigators on an interim basis.

Sec. 1102. From the funds appropriated in part 1 for special investigations, the department shall provide a report to the chairpersons of the senate and house of representatives standing committees on appropriations no later than April 1, 2011 concerning methamphetamine-related criminal activities.

### **MOTOR CARRIER ENFORCEMENT**

Sec. 1201. (1) The department shall report to the house and senate appropriations subcommittees on state police and the house and senate fiscal agencies by March 1, 2011 regarding the inspection of school buses and other motor vehicles under section 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil transportation act, 1990 PA 187, MCL 257.1839. The report shall include the following information regarding inspections conducted in calendar year 2010:

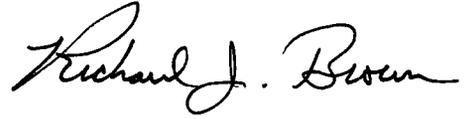
(a) The number of buses and vehicles inspected by the department.

(b) The number of buses and vehicles passing and failing inspection.

(c) The estimated number of buses and vehicles not inspected.

(2) If each school bus within a school system receives a 100% successful state inspection on its first inspection in a given year, the department shall award a certificate to that school system.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor



# **TRANSPORTATION**



Act No. 192  
Public Acts of 2010  
Approved by the Governor\*  
September 30, 2010  
Filed with the Secretary of State  
September 30, 2010  
EFFECTIVE DATE: September 30, 2010

\*Item Vetoes

**Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT**

Transit oriented development ..... \$ 100 (Page 6)

**Sec. 306. (3)**

Entire Subsection. (Pages 10-11)

**Sec. 394.**

Entire Section. (Page 13)

**Sec. 399**

Entire Section. (Page 13)

**Sec. 608**

Entire Section. (Page 15)



**STATE OF MICHIGAN  
95TH LEGISLATURE  
REGULAR SESSION OF 2010**

Introduced by Rep. Gonzales

**ENROLLED HOUSE BILL No. 5889**

AN ACT to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2011; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the state transportation department and certain state purposes designated in this act for the fiscal year ending September 30, 2011, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**STATE TRANSPORTATION DEPARTMENT  
APPROPRIATION SUMMARY**

Full-time equated unclassified positions .....	6.0		
Full-time equated classified positions .....	3,016.3		
<b>GROSS APPROPRIATION .....</b>		\$	3,235,969,400
Total interdepartmental grants and intradepartmental transfers.....			878,300
<b>ADJUSTED GROSS APPROPRIATION .....</b>		\$	3,235,091,100
Federal revenues:			
DOT, federal transit act.....			61,285,000
DOT-FHWA, highway research, planning, and construction .....			1,060,167,700
DOT-FRA, local rail service assistance .....			100,000
DOT-FRA, rail passenger/HSGT.....			3,000,000
DOT, federal aviation administration.....			102,927,900
Total federal revenues .....			1,227,480,600
Special revenue funds:			
Local revenues .....			56,496,000
Total local and private revenues .....			56,496,000
Blue Water Bridge fund .....			14,966,900
Comprehensive transportation fund .....			237,120,000
Economic development fund.....			42,145,100

	For Fiscal Year Ending Sept. 30, 2011
IRS debt service rebate .....	\$ 7,523,400
Intercity bus equipment fund.....	2,000,000
Local bridge fund.....	30,061,300
Michigan transportation fund .....	943,331,000
Other state restricted revenues.....	2,975,400
Rail freight fund .....	2,000,000
State aeronautics fund .....	16,551,900
State trunkline fund.....	652,439,500
Total other state restricted revenues .....	1,951,114,500
State general fund/general purpose .....	\$ 0

**Sec. 102. DEBT SERVICE**

State trunkline .....	\$ 198,853,000
Economic development .....	9,173,400
Local bridge fund.....	3,261,500
Blue Water Bridge fund .....	2,216,400
Airport safety and protection plan.....	3,456,000
Comprehensive transportation.....	29,852,700
GROSS APPROPRIATION .....	\$ 246,813,000
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction .....	45,832,100
Special revenue funds:	
Blue Water Bridge fund .....	2,216,400
Comprehensive transportation fund .....	29,852,700
Economic development fund.....	9,173,400
Local bridge fund.....	3,261,500
IRS debt service rebate .....	7,523,400
State aeronautics fund.....	3,456,000
State trunkline fund.....	145,497,500
State general fund/general purpose .....	\$ 0

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

MTF grant to department of natural resources and environment.....	\$ 1,132,600
MTF grant to department of state for collection of revenue and fees.....	20,000,000
MTF grant to department of treasury .....	8,383,600
MTF grant to legislative auditor general .....	204,300
STF grant to department of attorney general.....	2,867,300
STF grant to civil service commission.....	5,697,000
STF grant to department of technology, management, and budget .....	1,218,600
STF grant to department of state police .....	10,203,200
STF grant to department of treasury .....	142,200
STF grant to legislative auditor general.....	474,600
SAF grant to department of attorney general .....	169,500
SAF grant to civil service commission .....	150,000
SAF grant to department of technology, management, and budget.....	32,800
SAF grant to department of treasury .....	76,100
SAF grant to legislative auditor general .....	19,600
CTF grant to department of attorney general .....	171,700
CTF grant to civil service commission .....	200,000
CTF grant to department of technology, management, and budget.....	37,400
CTF grant to department of treasury .....	6,500
CTF grant to legislative auditor general .....	25,200
GROSS APPROPRIATION .....	\$ 51,212,200
Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund .....	440,800
Michigan transportation fund.....	29,720,500

	For Fiscal Year Ending Sept. 30, 2011
State aeronautics fund .....	\$ 448,000
State trunkline fund .....	20,602,900
State general fund/general purpose .....	\$ 0
 <b>Sec. 104. EXECUTIVE DIRECTION</b>	
Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	31.3
Unclassified salaries .....	\$ 602,800
Asset management council .....	1,626,400
Commission audit—31.3 FTE positions .....	3,433,000
GROSS APPROPRIATION .....	\$ 5,662,200
Appropriated from:	
Special revenue funds:	
Michigan transportation fund .....	1,626,400
State trunkline fund .....	4,035,800
State general fund/general purpose .....	\$ 0
 <b>Sec. 105. BUSINESS SUPPORT</b>	
Full-time equated classified positions .....	58.0
Business support services—49.0 FTE positions .....	\$ 6,059,100
Economic development and enhancement programs—9.0 FTE positions .....	1,194,100
Property management .....	7,754,600
Worker's compensation .....	1,784,600
GROSS APPROPRIATION .....	\$ 16,792,400
Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund .....	1,304,700
Economic development fund .....	468,900
Michigan transportation fund .....	201,700
State aeronautics fund .....	625,000
State trunkline fund .....	14,192,100
State general fund/general purpose .....	\$ 0
 <b>Sec. 106. INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 27,831,000
GROSS APPROPRIATION .....	\$ 27,831,000
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction .....	520,500
Special revenue funds:	
Blue Water Bridge fund .....	48,300
Comprehensive transportation fund .....	192,400
Economic development fund .....	37,200
Michigan transportation fund .....	254,200
State aeronautics fund .....	150,200
State trunkline fund .....	26,628,200
State general fund/general purpose .....	\$ 0
 <b>Sec. 107. FINANCE, CONTRACTS, AND SUPPORT SERVICES</b>	
Full-time equated classified positions .....	250.5
Financial operations—87.0 FTE positions .....	\$ 8,825,900
Contract services—53.6 FTE positions .....	5,155,900
Department services—41.9 FTE positions .....	5,207,600
Performance excellence—13.0 FTE positions .....	1,501,000
Welcome center operations—55.0 FTE positions .....	3,931,100
GROSS APPROPRIATION .....	\$ 24,621,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG for accounting service center user charges .....	878,300

Special revenue funds:	
Michigan transportation fund .....	\$ 1,792,700
State trunkline fund .....	21,950,500
State general fund/general purpose .....	\$ 0

**Sec. 108. TRANSPORTATION PLANNING**

Full-time equated classified positions .....	176.0
Statewide planning services—124.0 FTE positions .....	\$ 14,467,400
Data collection services—52.0 FTE positions .....	6,414,200
Specialized planning services and local studies.....	16,504,800
Grants to regional planning councils .....	488,800
GROSS APPROPRIATION .....	\$ 37,875,200
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction .....	22,000,000
Special revenue funds:	
Comprehensive transportation fund .....	960,300
Michigan transportation fund .....	6,304,500
State aeronautics fund .....	15,000
State trunkline fund .....	8,595,400
State general fund/general purpose .....	\$ 0

**Sec. 109. DESIGN AND ENGINEERING SERVICES**

Full-time equated classified positions .....	1,492.8
Engineering services—800.1 FTE positions.....	\$ 66,021,300
Program services—680.7 FTE positions .....	40,074,000
Intelligent transportation systems operations—12.0 FTE positions .....	10,562,700
GROSS APPROPRIATION .....	\$ 116,658,000
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction .....	23,529,800
Special revenue funds:	
Michigan transportation fund .....	6,355,300
State trunkline fund .....	86,772,900
State general fund/general purpose .....	\$ 0

**Sec. 110. HIGHWAY MAINTENANCE**

Full-time equated classified positions .....	836.7
State trunkline operations—836.7 FTE positions .....	\$ 274,663,900
GROSS APPROPRIATION .....	\$ 274,663,900
Appropriated from:	
Special revenue funds:	
State trunkline fund .....	274,663,900
State general fund/general purpose .....	\$ 0

**Sec. 111. ROAD AND BRIDGE PROGRAMS**

State trunkline federal aid and road and bridge construction .....	\$ 796,226,200
Local federal aid and road and bridge construction.....	248,751,000
Grants to local programs .....	33,000,000
Rail grade crossing .....	3,000,000
Local bridge program .....	26,799,800
County road commissions.....	551,352,700
Cities and villages.....	307,403,800
GROSS APPROPRIATION .....	\$ 1,966,533,500
Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction .....	961,770,500

Special revenue funds:		
Local funds.....	\$	30,000,000
Blue Water Bridge fund .....		7,107,300
Local bridge fund.....		26,799,800
Michigan transportation fund.....		894,756,500
State trunkline fund.....		46,099,400
State general fund/general purpose .....	\$	0

**Sec. 112. BLUE WATER BRIDGE**

Full-time equated classified positions.....	41.0	
Blue Water Bridge operations—41.0 FTE positions.....		\$ 5,594,900
GROSS APPROPRIATION .....		\$ 5,594,900
Appropriated from:		
Special revenue funds:		
Blue Water Bridge fund .....		5,594,900
State general fund/general purpose .....	\$	0

**Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT**

Forest roads.....	\$	5,040,000
Rural county urban system .....		2,500,000
Target industries/economic redevelopment .....		7,212,700
Urban county congestion.....		8,356,400
Rural county primary .....		8,356,400
Nonprofit street railway .....		1,000,000
GROSS APPROPRIATION .....	\$	32,465,500
Appropriated from:		
Special revenue funds:		
Economic development fund.....		32,465,500
State general fund/general purpose .....	\$	0

**Sec. 114. AERONAUTICS AND FREIGHT SERVICES**

Full-time equated classified positions.....	84.0	
Airport improvement services—30.0 FTE positions .....	\$	3,102,000
Aviation services—26.0 FTE positions.....		4,418,600
Freight and safety services—28.0 FTE positions .....		3,709,200
Air service program.....		464,600
GROSS APPROPRIATION .....	\$	11,694,400
Appropriated from:		
Special revenue funds:		
Comprehensive transportation fund .....		1,604,800
Michigan transportation fund.....		2,104,400
State aeronautics fund .....		7,985,200
State general fund/general purpose .....	\$	0

**Sec. 115. PUBLIC TRANSPORTATION SERVICES**

Full-time equated classified positions.....	46.0	
Passenger transportation services—46.0 FTE positions .....	\$	5,827,600
GROSS APPROPRIATION .....	\$	5,827,600
Appropriated from:		
Federal revenues:		
DOT, federal transit act.....		862,100
Special revenue funds:		
Comprehensive transportation fund .....		4,750,700
Michigan transportation fund.....		214,800
State general fund/general purpose .....	\$	0

**Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING**

Local bus operating.....	\$	166,624,000
Nonurban operating/capital .....		22,787,900
GROSS APPROPRIATION .....	\$	189,411,900

Appropriated from:	
Federal revenues:	
DOT, federal transit act.....	\$ 21,987,900
Special revenue funds:	
Comprehensive transportation fund .....	166,624,000
Local funds.....	800,000
State general fund/general purpose .....	\$ 0

**Sec. 117. INTERCITY PASSENGER AND FREIGHT**

Freight property management.....	\$ 1,000,000
Detroit/Wayne County port authority .....	468,200
Intercity services.....	7,250,000
Rail passenger service .....	11,667,000
Freight preservation and development .....	3,364,200
Marine passenger service.....	400,000
Terminal development .....	150,000
GROSS APPROPRIATION .....	\$ 24,299,400

Appropriated from:	
Federal revenues:	
DOT, federal transit act.....	4,500,000
DOT-FRA, local rail service assistance .....	100,000
DOT-FRA, rail passenger/HSGT.....	3,000,000
Special revenue funds:	
Local funds.....	50,000
Comprehensive transportation fund .....	12,649,400
Intercity bus equipment fund.....	2,000,000
Rail freight fund .....	2,000,000
State general fund/general purpose .....	\$ 0

**Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT**

Specialized services .....	\$ 7,443,800
Municipal credit program.....	2,000,000
Bus capital.....	41,300,000
Van pooling .....	195,000
Service initiatives .....	1,400,000
Transit oriented development .....	100
Transportation to work.....	9,536,400
GROSS APPROPRIATION .....	\$ 61,875,300

Appropriated from:	
Federal revenues:	
DOT, federal transit act.....	33,935,000
Special revenue funds:	
Local funds.....	9,200,000
Economic development fund.....	100
Comprehensive transportation fund .....	18,740,200
State general fund/general purpose .....	\$ 0

**Sec. 119. CAPITAL OUTLAY**

**(1) BUILDINGS AND FACILITIES**

Port Huron replacement welcome center, inspection station, Blue Water Bridge administration and maintenance satellite facilities.....	\$ 9,889,600
Special maintenance, remodeling, and additions.....	3,001,500
GROSS APPROPRIATION .....	\$ 12,891,100

Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction .....	6,514,800
Special revenue funds:	
Other state restricted revenues.....	2,975,400
State trunkline fund.....	3,400,900
State general fund/general purpose .....	\$ 0

**(2) AIRPORT IMPROVEMENT PROGRAMS**

Airport safety, protection and improvement program .....	\$	123,246,400
GROSS APPROPRIATION .....	\$	123,246,400
Appropriated from:		
Federal revenues:		
DOT, federal aviation administration.....		102,927,900
Special revenue funds:		
Local funds.....		16,446,000
State aeronautics fund.....		3,872,500
State general fund/general purpose .....	\$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2010-2011 is \$1,951,114,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2010-2011 is \$1,144,035,100.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

**DEPARTMENT OF TRANSPORTATION**

Grants to regional planning councils .....	\$	488,800
Grants to local programs.....		33,000,000
Rail grade crossing.....		3,000,000
Local bridge program .....		26,799,800
Grants to county road commissions.....		551,352,700
Grants to cities and villages .....		307,403,800
Economic development fund.....		31,465,500
Air service program .....		464,400
Local bus operating.....		166,624,000
Bus capital.....		8,000,000
Detroit/Wayne County port authority .....		468,200
Marine passenger service.....		400,000
Terminal development .....		150,000
Specialized services.....		3,958,800
Municipal credit program.....		2,000,000
Service initiatives .....		50,000
Transportation to work.....		4,536,400
Airport safety, protection, and improvement program .....		3,872,500
Total payments to local units of government .....	\$	1,144,035,100

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

Sec. 203. As used in this act:

- (a) "AASHTO" means the American association of state highway and transportation officials.
- (b) "ASTM" means the American society for testing and materials.
- (c) "CTF" means comprehensive transportation fund.
- (d) "Department" means the department of transportation.
- (e) "DOT" means the United States department of transportation.
- (f) "DOT-FHWA" means DOT, federal highway administration.
- (g) "DOT-FRA" means DOT, federal railroad administration.
- (h) "DOT-FRA, rail passenger/HSPT" means DOT, federal railroad administration, high-speed ground transportation.

- (i) "EDF" means economic development fund.
- (j) "FTE" means full-time equated.
- (k) "IRS" means the internal revenue service.
- (l) "MTF" means Michigan transportation fund.
- (m) "RIF" means recreation improvement fund.
- (n) "SAF" means state aeronautics fund.
- (o) "STF" means state trunkline fund.

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

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

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

Sec. 206. (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 pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

Sec. 207. When beginning any effort to privatize, the department shall submit a complete project plan to the house of representatives and senate appropriations subcommittees on transportation, the state budget office, and the house and senate fiscal agencies. The plan shall include the rationale for privatization, including a cost-benefit analysis if appropriate. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. As used in this section, "privatize" or "privatization" means the transfer of state highway maintenance or activities currently performed by department forces, or by boards of county road commissioners, county boards of commissioners, or local units of government under contract with the department, to private contractors.

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

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

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

Sec. 211. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

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

Sec. 260. (1) Due to the current budgetary problems in this state, out-of-state travel shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Sec. 261. A department or state agency shall not take disciplinary action against an employee for communicating with a member of the legislature or their staff.

Sec. 262. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 263. (1) The department shall report no later than April 1, 2011 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used by the department to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(3) As used in this section:

(a) "Rule" means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

(b) "Small business" means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

Sec. 266. (1) On a quarterly basis, the department shall report on the number of FTEs in pay status by civil service classification to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies.

(2) From the funds appropriated in part 1, the department shall use an amount not to exceed \$10,000.00 to develop, post, and maintain, on a publicly accessible Internet site, all expenditures made by the agency within a fiscal year. The posting must include the purpose for which each expenditure is made. The department shall not be required to hire additional employees to comply with this section.

## **DEPARTMENTAL SECTIONS**

Sec. 301. (1) The department may establish a fee schedule and collect fees sufficient to cover the costs to issue the permits that the department is authorized by law to issue upon request, unless otherwise stipulated by law. All permit fees are nonrefundable application fees and shall be credited to the appropriate fund to recover the direct and indirect costs of receiving, reviewing, and processing the requests.

(2) A bridge authority shall hold 3 public hearings on an increase in any toll charged by the authority at least 30 days before the toll change will become effective. Two of the hearings shall be held within 5 miles of the bridge over which the bridge authority has jurisdiction. One hearing shall be held in Lansing. Public hearings held under this section shall be conducted in accordance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and shall be conducted so as to provide a reasonable opportunity for public comment, including both spoken and written comments.

Sec. 303. On request, the department shall provide to a legislator, in writing, a report on the amount of money to be received by each city and village and the county road commission of each county, that is included in whole or in part within the legislator's legislative district.

Sec. 304. If, as a requirement of bidding on a highway project, the department requires a contractor to submit financial or proprietary documentation as to how the bid was calculated, that bid documentation shall be kept confidential and shall not be disclosed other than to a department representative without the contractor's written consent. The department may disclose the bid documentation if necessary to address or defend a claim by a contractor.

Sec. 305. The department shall permit space on public passenger transportation properties to be occupied by public or private tenants on a competitive market rate basis. The department shall require that revenue from the tenants be placed in an account to be used to pay the costs to maintain and improve the property.

Sec. 306. (1) The amounts appropriated in section 103 to support tax and fee collection, law enforcement, and other program services provided to the department and to transportation funds by other state departments shall be expended from transportation funds pursuant to annual contracts between the department and those other state departments. The contracts shall be executed prior to the expenditure or obligation of those funds. The contracts shall provide, but are not limited to, the following data applicable to each state department:

(a) Estimated costs to be recovered from transportation funds.

(b) Description of services provided to the department and/or transportation funds and financed with transportation funds.

(c) Detailed cost allocation methods appropriate to the type of services being provided and the activities financed with transportation funds.

(2) Not later than 2 months after publication of the state of Michigan comprehensive annual financial report, each state department receiving funding pursuant to an interdepartment contract with the department shall submit a written report to the department, the state budget director, and the house and senate fiscal agencies stating by spending authorization account the amount of estimated funds contracted with the department, the amount of funds expended, the amount of funds returned to the transportation funds, and any unreimbursed transportation-related costs incurred but not billed to transportation funds. A copy of the report shall be submitted to the auditor general, and the report shall be subject to audit by the auditor general as provided in subsection (3).

(3) In addition to the requirements of subsection (2), the state treasurer shall develop a cost allocation plan to identify the actual costs of work based on time and effort performed by the department of treasury for state restricted transportation funds. The cost allocation plan shall specifically identify the costs of collecting constitutionally restricted motor fuel taxes. The cost allocation plan shall be submitted to the senate and house of representatives standing

committees on appropriations subcommittees on general government, the senate and house fiscal agencies, the auditor general, and the state budget director by November 1. The cost allocation plan shall be subject to audit by the auditor general.

(4) Biennially, in each even-numbered fiscal year, the auditor general shall conduct an audit of charges to transportation funds by state departments for the 2 preceding fiscal years. The audit shall include both charges governed by interdepartmental contracts as well as miscellaneous charges from other state departments not governed by contracts. The auditor general shall prepare a detailed report, with recommendations and conclusions, including a summary of charges and related services to transportation funds by department, the appropriateness of those charges, the cost allocation methodologies used in determining the level of funding, and any unreimbursed transportation-related costs, if any. The report shall be provided to the senate and house of representatives committees on appropriations, the senate and house fiscal agencies, and the state budget director 9 months after publication of the state of Michigan comprehensive annual financial report.

Sec. 307. Before March 1 of each year, the department will provide to the legislature, the state budget office, and the house and senate fiscal agencies its rolling 5-year plan listing by county or by county road commission all highway construction projects for the fiscal year and all expected projects for the ensuing fiscal years.

Sec. 308. The department and local road agencies that receive appropriations under this act shall pursue compliance with contract specifications for construction and maintenance of state highways and local roads and streets. Work shall not be accepted and paid for until it complies with contract requirements. Contractors with unsatisfactory performance ratings shall be restricted from future bidding through the prequalification process established by the department or a local road agency. The department, county road commissions, and cities and villages shall report to the house of representatives and senate appropriations subcommittees on transportation, the senate and house fiscal agencies, and the state budget director on their respective activities under this section.

Sec. 309. The department shall continue its efforts to reduce administrative costs and provide the maximum funding possible for construction projects.

Sec. 310. The department shall provide in a timely manner copies of the agenda and approved minutes of monthly transportation commission meetings to the members of the house and senate appropriations subcommittees on transportation, the house and senate fiscal agencies, and the state budget director.

Sec. 312. At the close of the fiscal year, any unencumbered and unexpended balance in the state trunkline fund shall remain in the state trunkline fund and shall carry forward and is appropriated for federal aid road and bridge programs for projects contained in the annual state transportation program.

Sec. 313. (1) From funds appropriated in part 1, the department may increase a state infrastructure bank program and grant or loan funds in accordance with regulations of the state infrastructure bank program of the United States department of transportation. The state infrastructure bank is to be administered by the department for the purpose of providing a revolving, self-sustaining resource for financing transportation infrastructure projects.

(2) In addition to funds provided in subsection (1), money received by the state as federal grants, repayment of state infrastructure bank loans, or other reimbursement or revenue received by the state as a result of projects funded by the program and interest earned on that money shall be deposited in the revolving state infrastructure bank fund and shall be available for transportation infrastructure projects. At the close of the fiscal year, any unencumbered funds remaining in the state infrastructure bank fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Sec. 314. The department shall provide a report prepared by the department's internal auditor on the activities of the internal auditor for the previous fiscal year. The report shall be due on February 1 of each year and shall be submitted to the senate and house of representatives appropriations committees, the senate and house fiscal agencies, the director of the state budget office, and the auditor general. This report shall include a list of all of the following:

- (a) All work activities conducted by the internal auditor, including a listing of all audits, reviews, and investigations.
- (b) The time charged to each work activity, including time charged to each audit, review, or investigation.
- (c) A listing of which audits, reviews, and investigations have been completed and which audits, reviews, and investigations have had reports of the results issued.

Sec. 319. The department shall post signs at each rest area to identify the agency or contractor responsible for maintenance of the rest area. The signs shall include a department telephone number and shall indicate that unsafe or unclean conditions at the rest area may be reported to that telephone number.

Sec. 321. In evaluating and awarding enhancement grants, the department shall give preference to applicants which have adopted complete streets policies. In addition, the department shall give preference to enhancement grant applications which further complete streets policy objectives. The department shall report to the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies, on or before March 1, 2011, on the specific actions taken to comply with the intent of this section.

Sec. 322. Upon request of a university, the department shall work with representatives of state public universities to assist in the development and implementation of complete streets policies on university road and street systems.

Sec. 334. The department shall continue its program to increase the use of women- and minority-owned businesses in state and local road construction projects. This program shall comprise, at a minimum, outreach and education efforts to inform women- and minority-owned firms of department competitive bidding processes and requirements, and an assessment of the availability of surety for women- and minority-owned businesses. The department shall report by September 30 of each year to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies of its progress in complying with this section.

Sec. 353. The department shall review its contractor payment process and ensure that all prime contractors are paid promptly. The department shall ensure that prime contractors are in compliance with special provision 109.10 regarding the prompt payment of subcontractors.

Sec. 357. When presented with complete local federal aid project submittals, the department shall complete all necessary reviews and inspections required to let local federal aid projects within 120 days of receipt. The department shall implement a system for monitoring the local federal aid project review process.

Sec. 374. The department shall produce and distribute all employee newsletters electronically.

Sec. 375. The department is prohibited from reimbursing contractors or consultants for costs associated with groundbreaking ceremonies, receptions, open houses, or press conferences related to transportation projects funded, in whole or in part, by revenue appropriated in part 1.

Sec. 376. No later than March 1, 2011, the department shall report to the senate and house appropriations subcommittees on transportation on the status of the 17 projects that were initially deferred in the department's 5-year plan in 2003 and subsequently restored. It is the intent of the legislature that this be the final report on the status of these 17 projects.

Sec. 383. (1) The department shall prepare a quarterly report on all travel by executive branch employees, and others including local public officials, university employees, and other public employees on department-owned aircraft. The report shall include, by department, the name of the traveler, the travel origination location, the travel destination location, type of aircraft, and the total estimated costs associated with the air travel.

(2) The report shall be submitted to the senate and house appropriations subcommittees on transportation and the house and senate fiscal agencies.

(3) From the funds appropriated in part 1, the department is prohibited from transporting legislators or legislative staff on state-owned aircraft without prior approval from the senate majority leader or the speaker of the house of representatives and only when the aircraft is already scheduled by state employees on related official state business.

(4) The department shall maintain a system for recovering the cost of operating department-owned aircraft through charges to aircraft users.

Sec. 384. (1) From the funds appropriated in part 1, the department may expend from October 1, 2010 through December 31, 2010 an amount not to exceed \$250,000.00 of state transportation revenue under any contract originally entered into before September 1, 2010 for the Detroit River International Crossing.

(2) From the funds appropriated in part 1, the department may expend from January 1, 2011 through May 31, 2011 \$500,000.00 of state transportation revenue under any contract originally entered into before September 1, 2010 for the Detroit River International Crossing.

(3) The department shall not commit the state to any new contract related to the Detroit River International Crossing, after September 1, 2010, unless the legislature has enacted specific enabling legislation to allow for the construction of the Detroit River International Crossing.

(4) Notwithstanding anything that may be to the contrary in subsection (1), on or before March 31, 2011, the department shall report to the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on department activities related to the Detroit River International Crossing.

(5) If the legislature enacts specific enabling legislation for the construction of the Detroit River International Crossing, subsections (1), (2), and (3) do not apply once the enabling legislation goes into effect.

Sec. 385. The department shall not use toll credits generated by a private tolled bridge crossing to finance, design, plan, construct, operate, or maintain any international bridge crossing within 5 miles of that privately tolled bridge.

Sec. 393. The department shall promote best practices for public transportation services in this state, including, but not limited to, the following:

(a) Transit vehicle rehabilitation to reduce life-cycle cost of public transportation through mid-life rehabilitation of transit buses.

(b) Coordination with the Michigan economic development corporation to promote transition of bus fleets hybrid transit vehicles with a view to promotion of fuel economy.

(c) Cooperation between entities using transit, including school districts, cities, townships, and counties with a view to promoting cost savings through joint purchasing of fuel and other procurements.

(d) Coordination of transportation dollars among state departments which provide transit-related services, including the department of human services and the department of community health. Priority should be given to use of public transportation services where available.

(e) Promotion of intelligent transportation services for buses that incorporate computer and navigation technology to make transit systems more efficient, including stoplight coordinating, vehicle tracking, data tracking, and computerized scheduling.

Sec. 394. (1) From the funds appropriated in part 1, the department shall conduct a study, in consultation with the county road association of Michigan and the Michigan municipal league, of the current statutory formulae for the distribution of state and federal revenue for surface transportation programs. The study shall include an analysis of alternative distribution strategies and a discussion of the extent to which current and alternative distribution formulae contribute to statewide transportation goals. The study shall include all of the following:

(a) A discussion of alternative distribution strategies for state and local road and street programs, including distribution methods based on vehicle miles traveled as compared to lane miles.

(b) A comparison of vehicle miles traveled to lane miles for the sampled geographical areas as well as comparisons to other states and an evaluation of best practices.

(c) A discussion of alternative methods of distributing state operating assistance for local bus transit programs, including an analysis of incentives for those agencies which demonstrate efficient use of resources and increasing ridership levels.

(d) An analysis of the fiscal impact of alternative strategies to individual transit and road agencies.

(2) The department shall deliver a report on the findings of the study by March 1, 2011 to the house and senate appropriations subcommittees on transportation, the house and senate transportation committees, the house and senate fiscal agencies, and the state budget director.

Sec. 395. It is the intent of the legislature that the department assume jurisdiction of county road C-56 between US-31 at Charlevoix and M-75 at Boyne City in Charlevoix County.

Sec. 398. The appropriation included in part 1 to a nonprofit street railway is pursuant to section 10e(22) of 1951 PA 51, MCL 247.660e. A nonprofit street railway receiving appropriations from part 1 shall submit a quarterly report to the department, including, but not limited to, the construction spending, operating cost, revenue, and ridership, for the preceding fiscal quarter no later than 60 days after the end of the quarter.

Sec. 399. The appropriation in section 118 for transit-oriented development is intended to provide matching funds for transit-oriented development projects, including, but not limited to, high-speed rail, commuter and light rail, or fixed-guideway projects.

## **FEDERAL**

Sec. 401. Within 30 days of receiving the applicable fiscal year authorization from the federal government to commit transportation funds, the department shall notify local agency representatives, the senate and house of representatives appropriations transportation subcommittees, the senate and house fiscal agencies, and the state budget director regarding the amount of federal aid for categorical allocations to state and local agency programs not specifically allocated in either federal or state law.

Sec. 402. A portion of the federal DOT-FHWA highway research, planning, and construction funds made available to the state shall be allocated to transportation programs administered by local jurisdictions in accordance with section 10o of 1951 PA 51, MCL 247.660o. A local road agency, with respect to a project approved for federal aid funding in a state transportation improvement program, may enter into a voluntary buyout agreement with the department or with another local road agency to exchange the federal aid with state restricted transportation funds as agreed to by the respective parties. The state restricted transportation funds received in exchange for federal aid funds shall be used for the same purpose as the federal aid funds were originally intended.

### **MICHIGAN TRANSPORTATION FUND**

Sec. 501. The money received under the motor carrier act, 1933 PA 254, MCL 475.1 to 479.43, and not appropriated to the department of energy, labor, and economic growth or the department of state police is deposited in the Michigan transportation fund.

Sec. 502. The department of treasury shall perform audits and make investigations of the disposition of all state funds received by county road commissions or county boards of commissioners, as applicable, and cities and villages for transportation purposes to determine compliance with the terms and conditions of 1951 PA 51, MCL 247.651 to 247.675. County road commissions or county boards of commissioners, as applicable, and cities and villages shall make available to the department of treasury the pertinent records for the audit.

Sec. 503. (1) The funds appropriated in part 1 for the economic development and local bridge programs shall not lapse at the end of the fiscal year but shall carry forward each fiscal year for the purposes for which appropriated in accordance with 1987 PA 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL 247.660.

(2) Interest earned in the department of transportation economic development fund and local bridge fund shall remain in the respective funds and shall be allocated to the respective programs based on actual interest earned at the end of each fiscal year.

(3) In addition to the funds appropriated in part 1, the department of transportation economic development fund and local bridge fund may receive federal, local, or private funds or restricted source funds such as interest earnings. These funds are appropriated for projects that are consistent with the purposes of the respective funds.

(4) None of the funds statutorily dedicated to the transportation economic development fund and local bridge fund shall be diverted to other projects.

Sec. 504. Funds from the Michigan transportation fund (MTF) shall be distributed to the comprehensive transportation fund (CTF), the economic development fund (EDF), the recreation improvement fund (RIF), and the state trunkline fund (STF), in accordance with this act and part 711 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108, and may only be used as specified in this act, 1951 PA 51, MCL 247.651 to 247.675, and part 711 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108.

### **STATE TRUNKLINE FUND**

Sec. 601. The department shall work with the road construction industry and engineering consulting community to develop performance and road construction warranties for construction contracts. The development of warranties shall include warranties on materials, workmanship, performance criteria, and design/build projects. The department will report by September 30 of each calendar year to the house of representatives and senate appropriations subcommittees on transportation, the state budget director, and the house and senate fiscal agencies on the status of efforts to develop performance and road construction warranties.

Sec. 602. If the department uses manufactured pipe for road construction drainage, the department shall require that pipe used under certain load-bearing conditions beneath the roadway meets the standards established by the American society for testing and materials (ASTM) or American association of state highway and transportation officials (AASHTO). The department may also use the mandrel test for manufactured pipe 60 days after installation and provide a summary of the results of these inspections to the house of representatives and senate appropriations subcommittees on transportation and house and senate fiscal agencies.

Sec. 603. The department shall use traffic congestion as 1 of the criteria in determining the priorities for designating which roads shall be remediated in its 5-year road plan, which must be submitted on or before March 1 of each year.

Criteria for evaluating traffic congestion shall include, but not be limited to, coordination with local, county, and regional planning, improvement in traffic operations, improvement in physical roadway conditions, accident reduction, and coordination with area public transportation planning.

Sec. 604. It is the intent of the legislature that the department shall place signs designed in compliance with the Michigan manual on uniform traffic control devices for streets and highways at each highway construction work zone subject to the jurisdiction of the department. The signs shall notify the operators of vehicles in a work zone of the increased fines and penalties provided for the protection and safety of construction workers and the public under section 601b of the Michigan vehicle code, 1949 PA 300, MCL 257.601b.

Sec. 607. It is the intent of the legislature that the Michigan department of transportation work to add a southbound entrance ramp at the interchange of I-75 at Corunna Road in the charter township of Flint.

Sec. 608. From the amounts appropriated in part 1 for forest roads from the transportation economic development fund, \$40,000.00 shall be used for the purpose of establishing 2 additional truck inspection stations. The department shall work directly with representatives of the timber industry to educate truck drivers on the use of the stations. The department shall report on the status of this program.

Sec. 610. It is the intent of the legislature that the department have as a priority the removal of dead deer and other large animal remains from the traveled portion and shoulder of state highways. The department, and counties that perform state highway maintenance under contract, shall remove animal remains, wherever practicable, away from the traveled portion and shoulder of state highways.

Sec. 612. The department shall establish guidelines governing incentives and disincentives provided under contracts for state trunkline projects. The guidelines shall include specific financial information concerning incentives and disincentives. On or before January 1 of each year, the department shall prepare a report for the immediately preceding fiscal year regarding contract incentives and disincentives. This report shall include a list, by project, of the contractors that received contract incentives and/or disincentives, the amount of the incentives and/or disincentives, and the number of days that each project was completed either ahead or past the contracted completion date. This report shall be provided to the senate and house appropriations subcommittees on transportation, the senate and house standing committees on transportation, and the senate and house fiscal agencies.

Sec. 615. It is the intent of the legislature that the department shall proceed with the construction of a full interchange at the intersection of M-48 and I-75 in Chippewa County. It is the intent of the legislature that the department develop design plans and award the construction contract for this project during the fiscal year ending September 30, 2011.

Sec. 654. It is the intent of the legislature that the Mackinac Bridge Authority work to protect the long-term viability of the Mackinac Bridge.

Sec. 656. It is the intent of the legislature that the department upgrade that section of M-49 from M-99 to US-12 to standards necessary for designation as a designated highway as provided under sections 717 and 718 of the Michigan vehicle code, 1949 PA 300, MCL 257.717 and 257.718, and for inclusion as a "green" special designated highway on the department's truck operator's map.

Sec. 658. It is the intent of the legislature that the department proceed with the reconstruction of the interchange at I-196 and Phoenix Road in South Haven.

Sec. 659. For pavement projects for which there are no Michigan actual historic project maintenance, repair, and resurfacing schedules and costs as recorded by the pavement management system, the department may use actual historical and comparable data for equivalent designs from states with similar climates, soil structures, and vehicle traffic.

Sec. 660. The legislature encourages the department to examine the use of alternative road surface materials, including recycled materials, and to develop criteria and specifications for its use in both department-managed and contracted projects.

Sec. 661. It is the intent of the legislature that the department complete engineering design work and right-of-way acquisitions for the proposed expressway project along US-127 from St. Johns in Clinton County to Ithaca in Gratiot County.

Sec. 662. It is the intent of the legislature that the department shall work with the Graafschap Fire Department and Laketown Township to develop a gated, limited access point along US-31 in Allegan County in order to improve emergency response times along this highway.

Sec. 664. It is the intent of the legislature that if actual state-restricted revenue deposited to the Michigan transportation fund exceeds the revenue estimates upon which the appropriations in part 1 of this act were based, the department shall give priority to reinstating delayed and deferred projects.

Sec. 665. It is the intent of the legislature that from the funds appropriated in part 1, the department shall not purchase property in Watervliet Charter Township along Interstate 94 for the purpose of constructing a new rest area.

### **COMPREHENSIVE TRANSPORTATION FUND**

Sec. 701. Money that is received by the state as a lease payment for state-owned intercity bus equipment is not money to be deposited in the comprehensive transportation fund under section 10b of 1951 PA 51, MCL 247.660b, but is money that is deposited in an intercity bus equipment fund for appropriation for the purchase and repair of intercity bus equipment. Proceeds received by the state from the sale of intercity bus equipment are deposited in an intercity bus equipment fund for appropriation for the purchase and repair of intercity bus equipment. Security deposits from the lease of state-owned intercity bus equipment not returned to the lessee of the equipment under terms of the lease agreement are deposited in an intercity bus equipment fund for appropriation for the repair of intercity bus equipment. At the close of the fiscal year, any funds remaining in the intercity bus equipment fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Sec. 702. Money that is received by the state as repayment for loans made for rail or water freight capital projects, and as a result of the sale of property or equipment used or projected to be used for rail or water freight projects shall be deposited in the fund created by section 17 of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.67. At the close of the fiscal year, any funds remaining in the rail freight fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Sec. 703. After receiving notification from a railroad company pursuant to section 8 of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.58, the department shall immediately notify the house of representatives and senate appropriations subcommittees on transportation and the state budget office that the railroad company has filed with the appropriate governmental agencies for abandonment of a line.

Sec. 706. The Detroit/Wayne County port authority shall issue a complete operations assessment and a financial disclosure statement. The operations assessment shall include operational goals for the next 5 years and recommendations to improve land acquisition and development efficiency. The report shall be completed and submitted to the house of representatives and senate appropriations subcommittees on transportation, the state budget director, and the house and senate fiscal agencies by February 15 of each fiscal year for the prior fiscal year.

Sec. 708. If funds appropriated in part 1 are used to provide state-owned or state-leased buses to private intercity bus carriers, the department shall charge not less than \$1,000.00 per bus per year for their use.

Sec. 709. (1) The following bus routes are designated as an essential corridor in Michigan:

Between St. Ignace and Escanaba	US-2
Between Escanaba and Duluth	US-2 through Ironwood to the state line
Between Calumet and Escanaba	US-41
Between Escanaba and Milwaukee	US-41 through Menominee to the state line
Between St. Ignace and Sault Ste. Marie	I-75
Between Detroit and Chicago	I-94 from Detroit to the state line
Between Detroit and Muskegon	I-96
Between Grand Rapids, Holland, and Benton Harbor	I-196 to I-94
Between Muskegon and Grand Rapids	US-31, I-96
Between Detroit and Bay City	I-75
Between Bay City and Mount Pleasant	US-10, M-20
Between Jackson and Traverse City	US-127, US-27, I-75, Grayling, Gaylord, M-72 to Traverse City

Between Jackson and Indianapolis	I-69, I-94 to the state line through Albion, Marshall, and Coldwater
Between Houghton Lake and Cadillac	M-55 and M-66
Between Detroit and Toledo	I-75 to the state line
Between the Indiana state line and Traverse City	US-31 and I-196
Between Detroit and Port Huron	I-375 and I-94
Between Toledo and Bay City	US-23, I-75, and I-675, I-75
Between Bay City and Chicago	I-75, Flint, I-69, I-94, Battle Creek, I-94 to the state line
Between Flint and Lansing	I-69, M-21, Owosso, M-52, I-69
Between Bay City and St. Ignace	I-75, US-23
Between Grand Rapids and St. Ignace	US-131, Cadillac, M-115, Mesick, M-37 to Traverse City, US-31, Acme, M-72, Kalkaska, US-131, Boyne Falls, M-75, Walloon Lake, US-131, Petoskey, US-31, I-75, St. Ignace
Between Kalamazoo and Grand Rapids	US-131

(2) Any changes to the essential corridor list in subsection (1) shall be approved by the house and senate appropriations subcommittees on transportation.

(3) No entity shall receive operating assistance for a scheduled regular route service which is competing with another private or public carrier over the same route.

Sec. 711. (1) From the funds appropriated in part 1 from the comprehensive transportation fund for rail passenger service, the department shall negotiate with a rail carrier to provide rail service between Grand Rapids and Chicago and between Port Huron and Chicago, consistent with the other provisions of this section.

(2) The rail carrier shall, as a condition to receiving a state operating subsidy, maintain a system to monitor, collect, and resolve customer complaints and shall make the information available to the department, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies.

(3) Future state support for the service between Grand Rapids and Chicago and Port Huron and Chicago is dependent on the department's ability to provide a plan and a contract for services that increase ridership and revenue, reduce operating costs, and improve on-time performance.

(4) No state subsidy shall be provided from the funds appropriated in part 1 if the chosen rail carrier is Amtrak and Amtrak discontinued service or any portion of the service between Port Huron and Chicago or Grand Rapids and Chicago during the preceding fiscal year, unless the discontinuance of service was for track maintenance or was caused by acts of God.

(5) For rail passenger service supported in any part through capital or operating assistance from funds appropriated in this act, the department shall work with the rail carrier to identify ways in which reasonable transport of bicycles by passengers can be accommodated.

Sec. 714. The department, in cooperation with local transit agencies, shall work to ensure that demand-response services are provided throughout Michigan. The department shall continue to work with local units of government to address the unmet transit needs in Michigan.

Sec. 731. The department shall charge public transit agencies and intercity bus carriers equal rates per square foot for leasing space in state-owned intermodal facilities.

Sec. 734. (1) The department shall ensure that all public transit agencies provide the highest quality public transit service by moving people in a cost-effective, safe, and user-friendly manner that maintains and attracts residents and businesses.

(2) Public transit agencies receiving funds under part 1 shall do all of the following:

(a) Provide efficient, cost-effective, safe, well-maintained, reliable, customer-driven transportation services.

(b) Provide a quality work environment that has and fulfills employee performance, productivity, and development standards.

(c) Identify and capture all available funding or create cost-effective programs to eliminate debt and have a balanced budget.

(d) Maintain sufficient local and community funding.

(e) Support business development by providing transportation to areas of employment and commerce, emerging or established businesses, and health care facilities.

Sec. 740. The department shall report by March 1 of each year to the house of representatives and senate appropriations subcommittees on transportation, the house and senate fiscal agencies, and the state budget director the encumbered and unencumbered balances of the comprehensive transportation fund.

Sec. 741. The department shall report by March 1, 2011 to the house of representatives and senate appropriations subcommittees on transportation, the house and senate fiscal agencies, and the state budget director on progress of operations on the Ann Arbor and NW Michigan railroad, particularly concerning any use of the track infrastructure for the purpose of supporting a passenger train speed of 59 miles per hour.

Sec. 743. The legislature encourages the department to include a hybrid-electric vehicle (HEV) option in all requests for proposal for vehicles up to and including Class 5 purchased by or through the department.

Sec. 745. From the funds appropriated in part 1 for comprehensive transportation fund debt service, up to \$13,200,000.00 shall be transferred to a restricted account in compliance with the internal revenue code of 1986, as required by comprehensive transportation refunding bonds series 2009.

### **AERONAUTICS FUND**

Sec. 801. Except as otherwise provided in section 903 for capital outlay, at the close of the fiscal year, any unobligated and unexpended balance in the state aeronautics fund created in the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1 to 259.208, shall lapse to the state aeronautics fund and be appropriated by the legislature in the immediately succeeding fiscal year.

### **CAPITAL OUTLAY**

Sec. 901. (1) From federal-state-local project appropriations contained in part 1 for the purpose of assisting political entities and subdivisions of this state in the construction and improvement of publicly used airports and landing fields within this state, the state transportation department may permit the award of contracts on behalf of units of local government for the authorized locations not to exceed the indicated amounts, of which the state allocated portion shall not exceed the amount appropriated in part 1.

(2) Political entities and subdivisions shall provide not less than 2.5% of the cost of any project under this section, unless a total nonfederal share greater than 5% is otherwise specified in federal law. State money shall not be allocated until local money is allocated. State money for any 1 project shall not exceed 1/3 of the total appropriation in part 1 from state funds for airport improvement programs.

(3) The Michigan aeronautics commission may take those steps necessary to match federal money available for airport construction and improvement within this state and to meet the matching requirements of the federal government. Whether acting alone or jointly with another political subdivision or public agency or with this state, a political subdivision or public agency of this state shall not submit to any agency of the federal government a project application for airport planning or development unless it is authorized in this act and the project application is approved by the governing body of each political subdivision or public agency making the application and by the Michigan aeronautics commission.

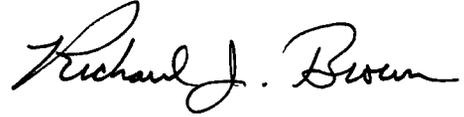
Sec. 902. Before the end of each fiscal year, the state transportation department shall report to the house and senate appropriations subcommittees on transportation the status of airport improvement projects funded in part 1 with the estimated dollars allocated for each project. If there has to be a delay in reporting, the state transportation department shall notify the house and senate appropriations subcommittees on transportation in writing of the date the report will be received.

Sec. 903. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with the provisions of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

Sec. 904. (1) The director shall allocate lump-sum appropriations made in this act consistent with statutory provisions and the purposes for which funds were appropriated. Lump-sum allocations shall address priority program or facility needs and may include, but are not limited to, design, construction, remodeling and addition, special maintenance, major special maintenance, energy conservation, and demolition.

(2) The state budget director may authorize that funds appropriated for lump-sum appropriations and designated as work project appropriations shall be available for no more than 3 fiscal years following the fiscal year in which the original appropriation was made. Any remaining balance from allocations made in this section shall lapse to the fund from which it was appropriated pursuant to the lapsing of funds as provided in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor





STATE OF MICHIGAN  
OFFICE OF THE GOVERNOR  
LANSING

JENNIFER M. GRANHOLM  
GOVERNOR

JOHN D. CHERRY, JR.  
LT. GOVERNOR

September 30, 2010

Michigan House of Representatives  
State Capitol  
Lansing, Michigan 48909-7514

Ladies and Gentlemen:

Today I have signed Enrolled House Bill 5889 authorizing the expenditure of \$3.2 billion by the Department of Transportation in the fiscal year that ends on September 30, 2011. I have, however, disapproved of items pursuant to Section 19 of Article V of the Michigan Constitution of 1963. The specific item vetoes are detailed in the attached copy of the bill, which has been filed with the Secretary of State.

I have exercised my item veto authority to eliminate the following unnecessary items: (1) Section 306(3), which would mandate the State Treasurer to develop an alternative cost allocation plan for motor fuel tax collections; (2) Section 394, requiring the department to conduct a study which was completed and published by the department as part of the requirements of PA 116 of 2009; (3) Section 399, and the corresponding \$100 line-item, which does not provide sufficient resources to implement the program; and (4) Section 608, providing for two additional unneeded timber truck inspection stations.

To provide direction regarding the implementation of this appropriations act, I note the following:

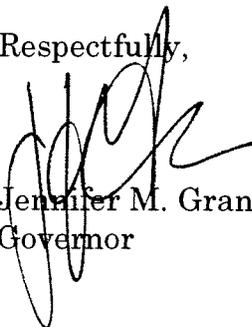
- Section 709 (2) of House Bill 5889 purports to require that any changes in an essential corridor list for bus routes be approved by House and Senate Appropriations Subcommittees on Transportation. As the Legislature lacks the constitutional authority to delegate administrative or legislative duties to a subcommittee of the legislature, this provision appears to violate Const 1963, art 3, § 2, Const 1963, art 4, § 26, and Const 1963, art 4, § 33, and is unenforceable.

I thank the Legislature for presenting a fiscal year 2011 budget for the Department of Transportation. I am pleased that we were able to work together in order to match all of the available federal aid and I look forward to continuing to

Michigan House of Representatives  
September 30, 2010  
Page 2 of 2

work towards a long-term solution to the impending funding shortfalls faced by the department.

Respectfully,

A handwritten signature in black ink, appearing to read "J. Granholm", written over the printed name and title.

Jennifer M. Granholm  
Governor

c: Michigan State Senate  
The Honorable Terri Lynn Land

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**SUPPLEMENTAL APPROPRIATION  
BILLS**

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Act No. 1  
Public Acts of 2010  
Approved by the Governor  
January 21, 2010  
Filed with the Secretary of State  
January 21, 2010  
EFFECTIVE DATE: January 21, 2010

**STATE OF MICHIGAN  
95TH LEGISLATURE  
REGULAR SESSION OF 2010**

Introduced by Rep. Cushingberry

# ENROLLED HOUSE BILL No. 5404

AN ACT to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2010; and to provide for the expenditure of the appropriations.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2010, from the following funds:

**APPROPRIATION SUMMARY**

Full-time equated classified positions.....	2.0		
GROSS APPROPRIATION .....		\$	4,862,300
Total interdepartmental grants and intradepartmental transfers.....			0
ADJUSTED GROSS APPROPRIATION .....		\$	4,862,300
Total federal revenues .....			4,862,300
Total local revenues.....			0
Total private revenues.....			0
Total other state restricted revenues .....			0
State general fund/general purpose .....		\$	0

**Sec. 102. DEPARTMENT OF AGRICULTURE**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	22,300
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	22,300
Federal revenues:		
Total federal revenues .....		22,300
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	0
<b>(2) ANIMAL INDUSTRY</b>		
Animal health and welfare (ARRA).....	\$	22,300
GROSS APPROPRIATION .....	\$	<u>22,300</u>
Appropriated from:		
Federal revenues:		
DAG, multiple grants (ARRA) .....		22,300
State general fund/general purpose .....	\$	0

**Sec. 103. DEPARTMENT OF HUMAN SERVICES**

**(1) APPROPRIATION SUMMARY**

Full-time equated classified positions.....	2.0	
GROSS APPROPRIATION .....	\$	2,250,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	2,250,000
Federal revenues:		
Total federal revenues .....		2,250,000
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	0
<b>(2) CHILDREN'S SERVICES</b>		
Transitional supportive housing (ARRA).....	\$	2,000,000
GROSS APPROPRIATION .....	\$	<u>2,000,000</u>
Appropriated from:		
Federal revenues:		
Federal transitional supportive housing revenues (ARRA).....		2,000,000
State general fund/general purpose .....	\$	0

**(3) LOCAL OFFICE STAFF AND OPERATIONS**

Full-time equated classified positions.....	2.0	
Volunteer services and reimbursement (ARRA)—2.0 FTE positions.....	\$	250,000
GROSS APPROPRIATION .....	\$	<u>250,000</u>
Appropriated from:		
Federal revenues:		
Federal faith-based grant revenues (ARRA).....		250,000
State general fund/general purpose .....	\$	0

**Sec. 104. DEPARTMENT OF TRANSPORTATION**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	2,590,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	2,590,000
Federal revenues:		
Total federal revenues .....		2,590,000

	For Fiscal Year Ending Sept. 30, 2010
Special revenue funds:	
Total local revenues.....	\$ 0
Total private revenues.....	0
Total other state restricted revenues.....	0
State general fund/general purpose.....	\$ 0
<b>(2) PUBLIC TRANSPORTATION DEVELOPMENT</b>	
Bus capital (ARRA).....	\$ 2,590,000
<b>GROSS APPROPRIATION.....</b>	<b>\$ 2,590,000</b>
Appropriated from:	
Federal revenues:	
DOT, federal transit act (ARRA).....	2,590,000
State general fund/general purpose.....	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this appropriation act for the fiscal year ending September 30, 2010 is \$0 and state appropriations paid to local units of government are \$0.

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

Sec. 203. The line-item appropriations in part 1 financed by federal funds designated as ARRA funding represent federal funds associated with the American recovery and reinvestment act of 2009, Public Law 111-5. These federal funds are temporary in nature. It is the intent of the legislature that when these temporary federal funds are fully expended, the program funding levels and any state employees supported by these temporary federal funds will not be continued.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount equal to any additional federal funding awarded to this state through recalculation of formulas and under the redistribution provisions of the American recovery and reinvestment act of 2009, Public Law 111-5.

(2) Within 30 days of receiving such an award, a department shall report to the senate and house appropriations subcommittees, senate and house fiscal agencies, state budget director, and the governor on the amount of funds received and the purposes for which they will be spent.

Sec. 211. The unexpended funds appropriated in part 1 and in section 210 and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purposes of the projects to be carried forward are to protect and invest in the natural resources, infrastructure, and people of the state of Michigan in accordance with the provisions of the American recovery and reinvestment act of 2009, Public Law 111-5.

(b) The projects will be accomplished by state employees and by contract.

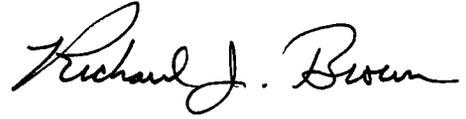
(c) The total estimated cost of all projects is identified in each line-item appropriation.

(d) The tentative completion date is September 30, 2012.

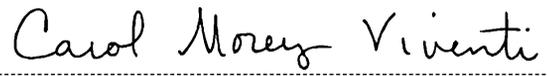
Sec. 212. (1) In a form and manner determined by the recipient department, local governments and other eligible sub-recipients receiving funds through this act shall comply will all requirements corresponding to the receipt of funds, including, but not limited to, any certifications, assurances, and accountability and transparency provisions required in the American recovery and reinvestment act of 2009, Public Law 111-5.

(2) Funds appropriated in part 1 may be transferred to sub-recipient state departments or agencies in an interdepartmental grant consistent with the requirements of the American recovery and reinvestment act of 2009, Public Law 111-5.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor

Act No. 2  
 Public Acts of 2010  
 Approved by the Governor  
 January 25, 2010  
 Filed with the Secretary of State  
 January 27, 2010  
 EFFECTIVE DATE: January 27, 2010

**STATE OF MICHIGAN  
 95TH LEGISLATURE  
 REGULAR SESSION OF 2010**

Introduced by Rep. Cushingberry

# ENROLLED HOUSE BILL No. 5403

AN ACT to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2010; and to provide for the expenditure of the appropriations.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2010, from the following funds:

**APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	8,927,300
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	8,927,300
Total federal revenues .....		3,402,300
Total local revenues.....		0
Total private revenues.....		25,000
Total other state restricted revenues .....		5,500,000
State general fund/general purpose .....	\$	0

**Sec. 102. DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH  
 (1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	1,200,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	1,200,000
Federal revenues:		
Total federal revenues .....		1,200,000
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	0

**(2) DEPARTMENT GRANTS**

Workforce innovation and regional economic development grants .....	\$	1,200,000
GROSS APPROPRIATION .....	\$	1,200,000
Appropriated from:		
Federal revenues:		
DOL-ETA, workforce investment act.....		1,200,000
State general fund/general purpose .....	\$	0

**Sec. 103. DEPARTMENT OF HUMAN SERVICES**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	24,900
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	24,900
Federal revenues:		
Total federal revenues .....		(100)
Special revenue funds:		
Total local revenues.....		0
Total private revenues .....		25,000
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	0

**(2) ADULT AND FAMILY SERVICES**

Crisis prevention and elder law of Michigan food for the elderly project .....	\$	25,000
GROSS APPROPRIATION .....	\$	25,000
Appropriated from:		
Special revenue funds:		
Total private revenues.....		25,000
State general fund/general purpose .....	\$	0

**(3) PUBLIC ASSISTANCE**

Indigent burial.....	\$	(100)
GROSS APPROPRIATION .....	\$	(100)
Appropriated from:		
Federal revenues:		
Total federal revenues .....		(100)
State general fund/general purpose .....	\$	0

**Sec. 104. DEPARTMENTS OF NATURAL RESOURCES AND ENVIRONMENTAL QUALITY**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	5,500,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	5,500,000
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues.....		0
Total private revenues .....		0
Total other state restricted revenues .....		5,500,000
State general fund/general purpose .....	\$	0

**(2) REMEDIATION AND REDEVELOPMENT**

Brownfield grants and loans program .....	\$	5,500,000
GROSS APPROPRIATION .....	\$	5,500,000
Appropriated from:		
Special revenue funds:		
Clean Michigan initiative - response activities.....		5,500,000
State general fund/general purpose .....	\$	0

**Sec. 105. DEPARTMENT OF TREASURY**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	2,202,400
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	2,202,400
Federal revenues:		
Total federal revenues .....		2,202,400
Special revenue funds:		
Total local revenues .....		0
Total private revenues .....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	0
<b>(2) FINANCIAL PROGRAMS</b>		
College access challenge grant program .....	\$	2,202,400
GROSS APPROPRIATION .....	\$	2,202,400
Appropriated from:		
Federal revenues:		
Federal - college access challenge grant .....		2,202,400
State general fund/general purpose .....	\$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this appropriation act for the fiscal year ending September 30, 2010 is \$5,500,000.00 and state appropriations paid to local units of government are \$0.

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

**DEPARTMENT OF HUMAN SERVICES**

Sec. 251. From the funds appropriated in part 1 for crisis prevention and elder law of Michigan food for the elderly project, the department shall allocate \$25,000.00 in private authorization to a food aid outreach project in Muskegon County.

Sec. 252. From the funds appropriated to the department of human services for indigent burial in 2009 PA 129, the department of human services may work with funeral directors to establish a regional or statewide pilot program that would include the elements described in this section. The department's pilot project shall provide funding only for the direct cremation of bodies of indigent persons that are not claimed by a person having the right to control the disposition of the body. The department may select through competitive bidding funeral directors in each county or region of the state to supervise the disposition of the unclaimed bodies. Until contracts based upon such competitive bidding are entered into, the payment to a funeral director for these services shall be \$800.00 plus mileage reimbursement for transportation costs at the standard rate established by the department of management and budget for travel reimbursement for nonstate vehicles plus the cost of the cremation permit. The department may deviate from the payment limits established in section 613(1) of 2009 PA 129 in making payments under the pilot program. The department shall forward a copy of the pilot program to the senate and house of representatives appropriations subcommittees on human services.

**DEPARTMENTS OF NATURAL RESOURCES AND ENVIRONMENTAL QUALITY**

Sec. 301. Of the funds appropriated in part 1 for the brownfield grants and loan program, \$5,500,000.00 shall be used to capitalize the brownfield cleanup revolving fund authorized under section 19608 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19608. The department is authorized to loan up to \$5,500,000.00 from this revolving loan fund.

Sec. 302. The unexpended funds appropriated in part 1 for the brownfield grants and loans program are considered work project appropriations and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

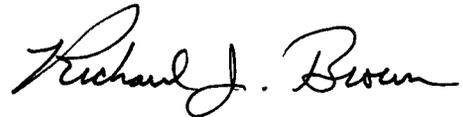
- (a) The purpose of the projects to be carried forward is to provide contaminated site cleanup.
- (b) The projects will be accomplished by contract.
- (c) The total estimated cost of all projects is identified in the line-item appropriation.
- (d) The tentative completion date is September 30, 2014.

**DEPARTMENT OF TREASURY**

Sec. 401. Unexpended appropriations of the college access challenge grant program are designated as work project appropriations and shall not lapse at the end of the fiscal year and shall continue to be available for expenditure until the project has been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to provide assistance and training to Michigan families, counselors, teachers, and community leaders in applying for and securing funds for college to low-income students.
- (b) The project will be accomplished by state employees and/or by contracts with private vendors.
- (c) The total estimated cost of the project is \$4,302,400.00.
- (d) The tentative completion date is September 30, 2011.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor

Act No. 47  
Public Acts of 2010  
Approved by the Governor\*  
April 1, 2010  
Filed with the Secretary of State  
April 2, 2010  
EFFECTIVE DATE: April 2, 2010

\*Item Vetoes

**Sec. 101. DEPARTMENT OF EDUCATION  
(7) LIBRARY OF MICHIGAN**

Library of Michigan operations—59.0 FTE positions.....	\$	4,601,400	(Page 2)
Library services and technology program—2.0 FTE positions.....	\$	5,557,400	(Page 2)
State aid to libraries .....	\$	6,000,000	(Page 2)
Book distribution centers .....	\$	200,000	(Page 2)

**Sec. 302.**

Entire Section. (Page 3)

**Sec. 1001.**

Entire Section. (Page 3)



**STATE OF MICHIGAN  
95TH LEGISLATURE  
REGULAR SESSION OF 2010**

Introduced by Rep. Jackson

**ENROLLED HOUSE BILL No. 5394**

AN ACT to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2010, from the following funds:

**DEPARTMENT OF EDUCATION**

**(1) APPROPRIATION SUMMARY**

Full-time equated classified positions.....	74.0		
GROSS APPROPRIATION .....		\$	16,851,600
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers.....			0
ADJUSTED GROSS APPROPRIATION .....		\$	16,851,600
Federal revenues:			
IMLS, library services and technology act.....			5,557,400
Total federal revenues .....			5,557,400
Special revenue funds:			
Total local revenues.....			0
Total private revenues .....			0
Total local and private revenues .....			0
Total other state restricted revenues .....			0
State general fund/general purpose .....		\$	11,294,200

**(2) STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT**

Full-time equated classified positions.....	2.0		
Unclassified positions.....		\$	75,800
State board/superintendent operations—2.0 FTE positions .....			88,800
GROSS APPROPRIATION .....		\$	164,600

Appropriated from:	
Special revenue funds:	
State general fund/general purpose .....	\$ 164,600
<b>(3) INFORMATION TECHNOLOGY SERVICES</b>	
Information technology operations.....	\$ 21,300
GROSS APPROPRIATION .....	\$ 21,300
Appropriated from:	
Special revenue funds:	
State general fund/general purpose .....	\$ 21,300
<b>(4) SCHOOL IMPROVEMENT SERVICES</b>	
Full-time equated classified positions.....	9.0
School improvement operations—9.0 FTE positions .....	\$ 256,300
GROSS APPROPRIATION .....	\$ 256,300
Appropriated from:	
Special revenue funds:	
State general fund/general purpose .....	\$ 256,300
<b>(5) SCHOOL FINANCE AND SCHOOL LAW SERVICES</b>	
School finance and school law operations.....	\$ 3,800
GROSS APPROPRIATION .....	\$ 3,800
Appropriated from:	
Special revenue funds:	
State general fund/general purpose .....	\$ 3,800
<b>(6) GRANTS ADMINISTRATION AND SCHOOL SUPPORT SERVICES</b>	
Full-time equated classified positions.....	2.0
Grants administration and school support services operations—2.0 FTE positions.....	\$ 46,800
GROSS APPROPRIATION .....	\$ 46,800
Appropriated from:	
Special revenue funds:	
State general fund/general purpose .....	\$ 46,800
<b>(7) LIBRARY OF MICHIGAN</b>	
Full-time equated classified positions.....	61.0
Library of Michigan operations—59.0 FTE positions.....	\$ 4,601,400
Library services and technology program—2.0 FTE positions .....	5,557,400
State aid to libraries .....	6,000,000
Book distribution centers.....	200,000
GROSS APPROPRIATION .....	\$ 16,358,800
Appropriated from:	
Federal revenues:	
IMLS, library services and technology act.....	5,557,400
State general fund/general purpose .....	\$ 10,801,400

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this appropriation act for the fiscal year ending September 30, 2010 is \$11,294,200.00 and state appropriations paid to local units of government are \$6,000,000.00.

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

**DEPARTMENT OF EDUCATION**

Sec. 301. The appropriations in part 1 shall be used to support state-level activities enacted as part of the race to the top reform legislation, including a school reform or redesign officer, oversight of schools of excellence, and processing of claims submitted to the basic instructional materials hotline. This section does not apply to the funding appropriated to the library of Michigan described in section 101(7).

Sec. 302. The department and library of Michigan shall maintain custody of the non-Michigan genealogy and federal documents collections and shall not sell, lease, or otherwise dispose of these collections. The department and library of Michigan need not make the collections available to the public.

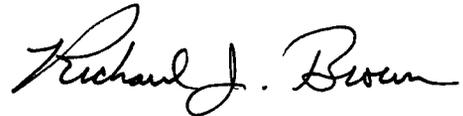
**DEPARTMENT OF TRANSPORTATION**

Sec. 401. Up to \$12,800,000.00 in comprehensive transportation fund debt service savings are hereby appropriated and transferred to a restricted account in compliance with the internal revenue code of 1986, as required by comprehensive transportation refunding bond series 2009.

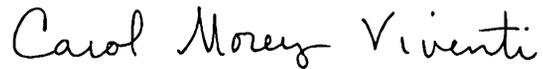
**REPEALER**

Sec. 1001. Section 114 of 2009 PA 115 is repealed.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor





STATE OF MICHIGAN  
OFFICE OF THE GOVERNOR  
LANSING

JENNIFER M. GRANHOLM  
GOVERNOR

JOHN D. CHERRY, JR.  
LT. GOVERNOR

April 1, 2010

Michigan House of Representatives  
State Capitol  
Lansing, Michigan 48909-7514

Dear Legislators:

Today I have signed Enrolled House Bill 5394, which authorizes \$492,800 in fiscal year 2010 supplemental appropriations for the Departments of Education and Transportation. However, I am returning it to you because of several items of which I disapprove, pursuant to Article V, Section 19, of the Michigan Constitution. The specific vetoes are contained in the attached copy of the bill, which has been filed with the Secretary of State.

I am concerned with the boilerplate provision that requires the Library of Michigan to maintain custody of the non-Michigan genealogy and federal documents collections and to not sell, lease, or otherwise dispose of these collections. I want to preserve the Library of Michigan's flexibility in exploring suitable candidates to assume the custodial responsibilities of these collections. Therefore, I have vetoed sections 101(7), 302, and 1001.

I thank the Legislature for its work on this legislation.

Respectfully,

A handwritten signature in black ink, appearing to read "Jennifer M. Granholm".

Jennifer M. Granholm  
Governor

cc: Michigan Senate  
The Honorable Terri Lynn Land



Act No. 66  
Public Acts of 2010  
Approved by the Governor  
May 10, 2010  
Filed with the Secretary of State  
May 10, 2010  
EFFECTIVE DATE: May 10, 2010

**STATE OF MICHIGAN  
95TH LEGISLATURE  
REGULAR SESSION OF 2010**

Introduced by Rep. Cushingberry

# ENROLLED HOUSE BILL No. 5407

AN ACT to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2010; and to provide for the expenditure of the appropriations.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2010, from the following funds:

**APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	(1,385,850)
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	(1,385,850)
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues.....		0
Total private revenues .....		0
Total state restricted revenues .....		(1,385,850)
State general fund/general purpose .....	\$	0

**Sec. 102. DEPARTMENT OF AGRICULTURE**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	(1,668,494)
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	(1,668,494)
Federal revenues:		
Total federal revenues .....		0

Special revenue funds:	
Total local revenues .....	\$ 0
Total private revenues .....	0
Total other state restricted revenues .....	(1,668,494)
State general fund/general purpose .....	\$ 0
<b>(2) FAIRS AND EXPOSITIONS</b>	
Fairs and racing .....	\$ (34,755)
Purses and supplements-fairs/licensed tracks .....	(203,820)
Licensed tracks - light horse racing .....	(52,256)
Standardbred breeders' awards .....	(285,642)
Standardbred purses and supplements - licensed tracks .....	(462,568)
Standardbred sire stakes .....	(69,660)
Standardbred training and stabling .....	(3,100)
Thoroughbred owners' awards .....	(10,660)
Thoroughbred program .....	(397,244)
Thoroughbred sire stakes .....	(71,380)
Distribution of outstanding winning tickets .....	(56,089)
GROSS APPROPRIATION .....	\$ (1,647,174)
Appropriated from:	
Special revenue funds:	
Agriculture equine industry development fund .....	(1,647,174)
State general fund/general purpose .....	\$ 0
<b>(3) INFORMATION AND TECHNOLOGY</b>	
Information technology services and projects .....	\$ (21,320)
GROSS APPROPRIATION .....	\$ (21,320)
Appropriated from:	
Special revenue funds:	
Agriculture equine industry development fund .....	(21,320)
State general fund/general purpose .....	\$ 0
 <b>Sec. 103. DEPARTMENT OF TREASURY</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
GROSS APPROPRIATION .....	\$ 282,644
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	0
ADJUSTED GROSS APPROPRIATION .....	\$ 282,644
Federal revenues:	
Total federal revenues .....	0
Special revenue funds:	
Total local revenues .....	0
Total private revenues .....	0
Total other state restricted revenues .....	282,644
State general fund/general purpose .....	\$ 0
<b>(2) CASINO GAMING</b>	
Racing commissioner .....	306,684
GROSS APPROPRIATION .....	\$ 306,684
Appropriated from:	
Special revenue funds:	
Agriculture equine industry development fund .....	282,684
Industry support funds .....	24,000
State general fund/general purpose .....	\$ 0
<b>(3) INFORMATION AND TECHNOLOGY</b>	
Information technology services and projects .....	\$ (24,040)
GROSS APPROPRIATION .....	\$ (24,040)
Appropriated from:	
Special revenue funds:	
Agriculture equine industry development fund .....	(24,040)
State general fund/general purpose .....	\$ 0

## PART 2

### PROVISIONS CONCERNING APPROPRIATIONS

#### **GENERAL SECTIONS**

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this appropriation act for the fiscal year ending September 30, 2010 is \$(1,385,850.00) and state appropriations paid to local units of government are \$0.

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

Sec. 203. The departments described in this act shall fulfill reporting requirements of this act by use of the Internet. Reports identified for each reporting requirement shall be placed on the Internet.

#### **DEPARTMENT OF AGRICULTURE**

Sec. 210. If the agriculture equine industry development fund revenue exceeds appropriations for the year ending September 30, 2010, up to \$308,688.00 shall be allocated to standardbred purses and supplements, up to \$202,302.00 shall be allocated to standardbred breeders' awards, up to \$40,896.00 shall be allocated to licensed tracks – light horse racing, and up to \$190,844.00 shall be allocated to thoroughbred programs for the year ending September 30, 2011 because standardbred purses and supplements, standardbred breeders' awards, licensed tracks – light horse racing, and thoroughbred programs are receiving larger cuts in the current fiscal year than other appropriations to ensure the continuation of races. Contingency fund transfers shall be used as necessary to allow for spending of any additional revenue.

#### **DEPARTMENT OF TREASURY**

Sec. 250. The appropriations in part 1 to the racing commissioner are intended to ensure that 217 total racing dates occur at Michigan's 5 licensed horse racetracks for the fiscal year ending September 30, 2010. The appropriations in part 1, in combination with 2009 PA 119, 2009 PA 140, Executive Order No. 2009-45, and Executive Order No. 2009-54, are necessary to allow 62 race dates at Hazel Park, 11 race dates at Mount Pleasant Meadows, 32 race dates at Northville Downs, 35 race dates at Northville Racing Corp, 43 race dates at Pinnacle Race Course, and 34 race dates at Sports Creek Raceway for the fiscal year ending September 30, 2010. In order to allow 31 of the 43 race dates at Pinnacle Race Course, the Michigan thoroughbred owners and breeders association and the horsemen's benevolent and protection association shall enter into an agreement to fund the Michigan bred programs and the Michigan gaming control board's regulatory expenses. From the amount appropriated in part 1 to the racing commissioner, the Michigan gaming control board shall provide all regulatory functions necessary for the conduct of horse racing under the horse racing law of 1995, 1995 PA 279, MCL 431.301 to 431.336.

Sec. 251. The Michigan gaming control board, with the assistance of the Michigan department of agriculture and each certified horsemen's organization, shall report to the legislature on the status and ongoing efforts to transfer the function of the office of racing commissioner to the Michigan gaming control board pursuant to Executive Order Nos. 2009-45 and 2009-54. The report shall be submitted on or before September 1, 2010 to the house and senate appropriations subcommittees on agriculture and general government and the house and senate fiscal agencies. The report shall include, at a minimum, the following:

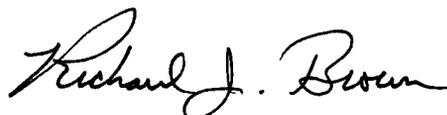
(a) Efforts to utilize the most efficient and effective methods of regulating and promoting the horse racing industry.

(b) Efforts to promote and support the horse racing industry with the goal of increasing employment and expanded economic activity associated with the horse racing industry.

(c) A comparison of Michigan with other states regarding both regulation and promotion of the horse racing industry.

Sec. 252. The Michigan gaming control board shall use actual expenditure data in determining the actual regulatory costs of conducting racing dates and shall provide that data to the house and senate appropriations subcommittees on agriculture and general government and the house and senate fiscal agencies. The Michigan gaming control board shall not be reimbursed for more than the actual regulatory cost of conducting race dates. If a certified horsemen's organization funds more than the actual regulatory cost, the balance shall remain in the agriculture equine industry development fund to be used to fund subsequent race dates conducted by race meeting licensees with which the certified horsemen's organization has contracts. If a certified horsemen's organization funds less than the actual regulatory costs of the additional horse racing dates, the Michigan gaming control board shall reduce the number of future race dates conducted by race meeting licensees with which the certified horsemen's organization has contracts. Prior to the reduction in the number of authorized race dates due to budget deficits, the executive director of the Michigan gaming control board shall provide notice to the certified horsemen's organizations with an opportunity to respond with alternatives. In determining actual costs, the Michigan gaming control board shall take into account that each specific breed may require different regulatory mechanisms.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor

Act No. 89  
 Public Acts of 2010  
 Approved by the Governor  
 June 3, 2010  
 Filed with the Secretary of State  
 June 7, 2010  
 EFFECTIVE DATE: June 7, 2010

**STATE OF MICHIGAN  
 95TH LEGISLATURE  
 REGULAR SESSION OF 2010**

Introduced by Rep. Cushingberry

# ENROLLED HOUSE BILL No. 5406

AN ACT to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2010; and to provide for the expenditure of the appropriations.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2010, from the following funds:

**APPROPRIATION SUMMARY**

Full-time equated positions .....	238.0	
GROSS APPROPRIATION .....	\$	28,380,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	28,380,000
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues .....		0
Total private revenues .....		0
Total other state restricted revenues .....		26,174,400
State general fund/general purpose .....	\$	2,205,600

**Sec. 102. DEPARTMENT OF CORRECTIONS**

**(1) APPROPRIATION SUMMARY**

Full-time equated positions .....	238.0	
Average population.....	1,320	
GROSS APPROPRIATION .....	\$	28,380,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	28,380,000
Federal revenues:		
Total federal revenues .....		0

	For Fiscal Year Ending Sept. 30, 2010
Special revenue funds:	
Total local revenues .....	\$ 0
Total private revenues .....	0
Total other state restricted revenues .....	26,174,400
State general fund/general purpose .....	\$ 2,205,600
<b>(2) PLANNING AND COMMUNITY SUPPORT</b>	
County jail reimbursement program .....	\$ 9,720,000
<b>GROSS APPROPRIATION .....</b>	<b>\$ 9,720,000</b>
Appropriated from:	
Special revenue funds:	
State restricted revenues and reimbursements.....	7,514,400
State general fund/general purpose .....	\$ 2,205,600
<b>(3) SOUTHWESTERN REGION CORRECTIONAL FACILITIES</b>	
Full-time equated positions .....	238.0
Average population.....	1,320
Muskegon correctional facility - Muskegon—238.0 FTE positions .....	\$ 18,660,000
<b>GROSS APPROPRIATION .....</b>	<b>\$ 18,660,000</b>
Appropriated from:	
Special revenue funds:	
State restricted revenues and reimbursements.....	18,660,000
State general fund/general purpose .....	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this appropriation act for the fiscal year ending September 30, 2010 is \$28,380,000.00 and state appropriations paid to local units of government are \$9,720,000.00.

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

**DEPARTMENT OF CORRECTIONS**

Sec. 301. (1) The department of corrections shall administer a county jail reimbursement program from the funds appropriated in part 1 for the purpose of reimbursing counties for certain felons who otherwise would have been sentenced to prison.

(2) The county jail reimbursement program shall reimburse counties for convicted felons in the custody of the sheriff if the conviction was for a crime committed on or after January 1, 1999 and 1 of the following applies:

(a) The felon's sentencing guidelines recommended range upper limit is more than 18 months, the felon's sentencing guidelines recommended range lower limit is 12 months or less, the felon's prior record variable score is 35 or more points, and the felon's sentence is not for commission of a crime in crime class G or crime class H or a nonperson crime in crime class F under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69.

(b) The felon's minimum sentencing guidelines range minimum is more than 12 months.

(c) The felon was sentenced to jail for a felony committed while he or she was on parole and under the jurisdiction of the parole board and for which the sentencing guidelines recommended range for the minimum sentence has an upper limit of more than 18 months.

(3) State reimbursement under this section shall be \$60.00 per diem per diverted offender for offenders with a presumptive prison guideline score, \$50.00 per diem per diverted offender for offenders with a straddle cell guideline for a group 1 crime, and \$35.00 per diem per diverted offender for offenders with a straddle cell guideline for a group 2 crime. Reimbursements shall be paid for sentences up to a 1-year total.

(4) Except as otherwise provided in subsection (5), county jail reimbursement program expenditures shall not exceed the amount appropriated in part 1 for the county jail reimbursement program. Except for reimbursements made under 2009 PA 104, reimbursement shall be made only for days that offenders described in subsection (2) were in the custody of the sheriff on or after January 1, 2010. Payments to counties under the county jail reimbursement program shall be made in the order in which properly documented requests for reimbursement are received. A request shall be considered to be properly documented if it meets department of corrections requirements for documentation. The department of corrections shall, within 15 days of the effective date of this act, distribute the documentation requirements to all counties.

(5) Every quarter, the subcommittee chair that sponsored the current fiscal year budget act for the department of corrections shall convene a reimbursement committee consisting of the chairs of the senate and house appropriations subcommittees on corrections, 1 representative from the department of corrections, the state budget office, the Michigan association of counties, and the Michigan sheriffs association for the purpose of reviewing payment of all eligible and properly documented reimbursement requests that comply with the reimbursement criteria in subsections (1) through (3). The reimbursement committee shall be convened on the first business day of each fiscal quarter. If the committee determines that the current appropriation will not cover all eligible reimbursement costs, the state budget office shall request a legislative transfer from other appropriation line items in the department of corrections budget to the county jail reimbursement program line item to cover the additional costs.

(6) As used in this section:

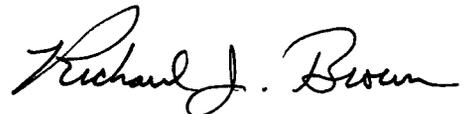
(a) "Group 1 crime" means a crime in 1 or more of the following offense categories: arson, assault, assaultive other, burglary, criminal sexual conduct, homicide or resulting in death, other sex offenses, robbery, and weapon possession as determined by the department of corrections based on specific crimes for which counties received reimbursement under the county jail reimbursement program in fiscal year 2007 and fiscal year 2008, and listed in the county jail reimbursement program document titled "FY 2007 and FY 2008 Group One Crimes Reimbursed", dated March 31, 2009.

(b) "Group 2 crime" means a crime that is not a group 1 crime, including larceny, fraud, forgery, embezzlement, motor vehicle, malicious destruction of property, controlled substance offense, felony drunk driving, and other nonassaultive offenses.

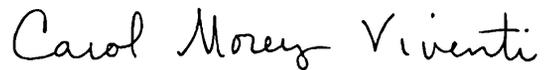
(c) "In the custody of the sheriff" means that the convicted felon has been sentenced to the county jail and is either housed in the county jail or has been released from jail and is being monitored through the use of the sheriff's electronic monitoring system.

Sec. 302. Funds appropriated in part 1 for the Muskegon correctional facility shall be used for custody, treatment, clinical, and administrative costs associated with the housing of prisoners from other states.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor



Act No. 92  
Public Acts of 2010  
Approved by the Governor  
June 21, 2010  
Filed with the Secretary of State  
June 21, 2010  
EFFECTIVE DATE: June 21, 2010

**STATE OF MICHIGAN  
95TH LEGISLATURE  
REGULAR SESSION OF 2010**

Introduced by Senator Jelinek

**ENROLLED SENATE BILL No. 928**

AN ACT to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2010; and to provide for the expenditure of the appropriations.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2010, from the following funds:

**APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	190,913,800
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	190,913,800
Federal revenues:		
Total federal revenues .....		190,913,800
Special revenue funds:		
Total local revenues.....		0
Total private revenues .....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	0

**Sec. 102. DEPARTMENT OF COMMUNITY HEALTH**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	23,754,900
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	23,754,900

Federal revenues:	
Total federal revenues .....	\$ 23,754,900
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	0
Total other state restricted revenues .....	0
State general fund/general purpose .....	\$ 0

**(2) HEALTH POLICY, REGULATION, AND PROFESSIONS**

Primary care services (ARRA).....	\$ 194,200
<b>GROSS APPROPRIATION .....</b>	<b>\$ 194,200</b>

Appropriated from:

Federal revenues:	
Federal revenues (ARRA).....	194,200
State general fund/general purpose .....	\$ 0

**(3) CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION**

Preventive health projects (ARRA) .....	\$ 4,050,800
<b>GROSS APPROPRIATION .....</b>	<b>\$ 4,050,800</b>

Appropriated from:

Federal revenues:	
Federal revenues (ARRA).....	4,050,800
State general fund/general purpose .....	\$ 0

**(4) MEDICAL SERVICES ADMINISTRATION**

State health information exchange (ARRA) .....	\$ 6,993,100
<b>GROSS APPROPRIATION .....</b>	<b>\$ 6,993,100</b>

Appropriated from:

Federal revenues:	
Federal revenues (ARRA).....	6,993,100
State general fund/general purpose .....	\$ 0

**(5) MEDICAL SERVICES**

Medicare premium payments .....	\$ 11,410,300
<b>GROSS APPROPRIATION .....</b>	<b>\$ 11,410,300</b>

Appropriated from:

Federal revenues:	
Federal revenues (ARRA).....	11,410,300
State general fund/general purpose .....	\$ 0

**(6) OFFICE OF SERVICES TO THE AGING**

Aging projects (ARRA).....	\$ 1,106,500
<b>GROSS APPROPRIATION .....</b>	<b>\$ 1,106,500</b>

Appropriated from:

Federal revenues:	
Federal revenues (ARRA).....	1,106,500
State general fund/general purpose .....	\$ 0

**Sec. 103. DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH**

**(1) APPROPRIATION SUMMARY**

<b>GROSS APPROPRIATION .....</b>	<b>\$ 4,400,000</b>
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Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers.....	0
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<b>ADJUSTED GROSS APPROPRIATION .....</b>	<b>\$ 4,400,000</b>
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Federal revenues:

Total federal revenues .....	4,400,000
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Special revenue funds:

Total local revenues.....	0
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Total private revenues.....	0
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Total other state restricted revenues .....	0
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State general fund/general purpose .....	\$ 0
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**(2) DEPARTMENT GRANTS**

Workforce training program subgrantees (ARRA).....	\$ 4,400,000
<b>GROSS APPROPRIATION .....</b>	<b>\$ 4,400,000</b>

Appropriated from:	
Federal revenues:	
DOE, smart grid workforce training (ARRA) .....	\$ 4,400,000
State general fund/general purpose .....	\$ 0

**Sec. 104. DEPARTMENT OF HUMAN SERVICES**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$ 60,370,800
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	0
ADJUSTED GROSS APPROPRIATION .....	\$ 60,370,800
Federal revenues:	
Total federal revenues .....	60,370,800
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	0
Total other state restricted revenues .....	0
State general fund/general purpose .....	\$ 0

**(2) PUBLIC ASSISTANCE**

Food assistance program benefits (ARRA).....	\$ 60,370,800
GROSS APPROPRIATION .....	\$ 60,370,800
Appropriated from:	
Federal revenues:	
Federal supplemental nutrition assistance revenues (ARRA) .....	60,370,800
State general fund/general purpose .....	\$ 0

**Sec. 105. DEPARTMENT OF STATE POLICE**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$ 6,553,700
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	0
ADJUSTED GROSS APPROPRIATION .....	\$ 6,553,700
Federal revenues:	
Total federal revenues .....	6,553,700
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	0
Total other state restricted revenues .....	0
State general fund/general purpose .....	\$ 0

**(2) POST UNIFORM SERVICES**

Rural law enforcement (ARRA).....	\$ 6,553,700
GROSS APPROPRIATION .....	\$ 6,553,700
Appropriated from:	
Federal revenues:	
DOJ (ARRA) .....	6,553,700
State general fund/general purpose .....	\$ 0

**Sec. 106. DEPARTMENT OF TRANSPORTATION**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$ 95,834,400
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	0
ADJUSTED GROSS APPROPRIATION .....	\$ 95,834,400
Federal revenues:	
Total federal revenues .....	95,834,400
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	0
Total other state restricted revenues .....	0
State general fund/general purpose .....	\$ 0

<b>(2) ROAD AND BRIDGE PROGRAMS</b>	
State trunkline federal aid and road and bridge construction (ARRA).....	\$ 30,000,000
GROSS APPROPRIATION .....	\$ 30,000,000
Appropriated from:	
Federal revenues:	
DOT-FHWA, tiger discretionary grant (ARRA).....	30,000,000
State general fund/general purpose .....	\$ 0
<b>(3) TRANSPORTATION ECONOMIC DEVELOPMENT</b>	
Nonprofit street railway (ARRA) .....	\$ 25,000,000
GROSS APPROPRIATION .....	\$ 25,000,000
Appropriated from:	
Federal revenues:	
DOT-FTA, tiger discretionary grant (ARRA) .....	25,000,000
State general fund/general purpose .....	\$ 0
<b>(4) INTERCITY PASSENGER AND FREIGHT</b>	
High-speed intercity passenger rail (ARRA).....	\$ 40,310,300
GROSS APPROPRIATION .....	\$ 40,310,300
Appropriated from:	
Federal revenues:	
DOT-FRA, rail passenger/HSGT (ARRA) .....	40,310,300
State general fund/general purpose .....	\$ 0
<b>(5) PUBLIC TRANSPORTATION DEVELOPMENT</b>	
Nonurban operating/capital (ARRA).....	\$ 524,100
GROSS APPROPRIATION .....	\$ 524,100
Appropriated from:	
Federal revenues:	
DOT-federal transit act (ARRA).....	524,100
State general fund/general purpose .....	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this appropriation act for the fiscal year ending September 30, 2010 is \$0.00 and state appropriations paid to local units of government are \$0.

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

Sec. 203. The line-item appropriations in part 1 financed by federal funds designated as ARRA funding represent federal funds associated with the American recovery and reinvestment act of 2009, Public Law 111-5. These federal funds are temporary in nature. It is the intent of the legislature that when these temporary federal funds are fully expended, the program funding levels and any state employees supported by these temporary federal funds will not be continued.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount equal to any additional federal funding awarded to this state through recalculation of formulas and under the redistribution provisions of the American recovery and reinvestment act of 2009, Public Law 111-5.

(2) Within 30 days of receiving such an award, a department shall report to the senate and house appropriations subcommittees, senate and house fiscal agencies, state budget director, and the governor on the amount of funds received and the purposes for which they will be spent.

Sec. 211. The unexpended funds appropriated in part 1 and in section 210 and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purposes of the projects to be carried forward are to protect and invest in the natural resources, infrastructure, and people of the state of Michigan in accordance with the provisions of the American recovery and reinvestment act of 2009, Public Law 111-5.

(b) The projects will be accomplished by state employees and by contract.

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

(d) The tentative completion date is September 30, 2012.

Sec. 212. (1) In a form and manner determined by the recipient department, local governments and other eligible sub-recipients receiving funds through this act shall comply with all requirements corresponding to the receipt of funds, including, but not limited to, any certifications, assurances, and accountability and transparency provisions required in the American recovery and reinvestment act of 2009, Public Law 111-5.

(2) Funds appropriated in part 1 may be transferred to sub-recipient state departments or agencies in an interdepartmental grant consistent with the requirements of the American recovery and reinvestment act of 2009, Public Law 111-5.

**DEPARTMENT OF COMMUNITY HEALTH**

Sec. 251. The department of community health shall provide a spending plan for the appropriations in part 1 for state health information exchange (ARRA) by June 30, 2010. This spending plan shall be provided to the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director.

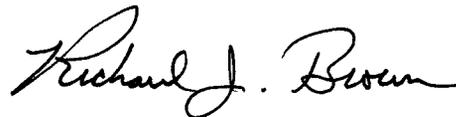
**DEPARTMENT OF TRANSPORTATION**

Sec. 401. The department shall report by March 1 of each year to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies on the uses of funds appropriated in part 1 from the American recovery and reinvestment act of 2009, Public Law 111-5. The report shall include a description of funds expended by expenditure object, including expenditure detail of sub-recipients, for the preceding fiscal year. The report shall also indicate the balance of funds appropriated but not yet expended as of the end of the preceding fiscal year.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved .....

.....  
Governor



Act No. 111  
 Public Acts of 2010  
 Approved by the Governor  
 July 12, 2010  
 Filed with the Secretary of State  
 July 12, 2010  
 EFFECTIVE DATE: July 12, 2010

**STATE OF MICHIGAN  
 95TH LEGISLATURE  
 REGULAR SESSION OF 2010**

Introduced by Senator Jelinek

**ENROLLED SENATE BILL No. 1166**

AN ACT to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2010; and to provide for the expenditure of the appropriations.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2010, from the following funds:

**APPROPRIATION SUMMARY**

Full-time equated classified positions.....1.0		
GROSS APPROPRIATION .....	\$	50,380,100
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	50,380,100
Total federal revenues .....		47,880,000
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	2,500,100

**Sec. 102. DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH**

**(1) APPROPRIATION SUMMARY**

Full-time equated classified positions.....1.0		
GROSS APPROPRIATION .....	\$	47,880,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	47,880,000
Federal revenues:		
Total federal revenues .....		47,880,000
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	0

**(2) PUBLIC SERVICE COMMISSION AND ENERGY SYSTEMS**

Full-time equated classified positions.....	1.0	
Energy office (ARRA)—1.0 FTE position.....		\$ 30,000,000
<b>GROSS APPROPRIATION</b> .....		<b>\$ 30,000,000</b>

Appropriated from:

Federal revenues:

DOE, energy efficiency and conservation block grant (ARRA).....		30,000,000
State general fund/general purpose .....		\$ 0

**(3) BOARDS, AUTHORITIES, AND COMMISSIONS**

Land bank fast track authority (ARRA).....		\$ 17,880,000
<b>GROSS APPROPRIATION</b> .....		<b>\$ 17,880,000</b>

Appropriated from:

Federal revenues:

Federal revenues (ARRA).....		17,880,000
State general fund/general purpose .....		\$ 0

**Sec. 103. DEPARTMENT OF STATE POLICE**

**(1) APPROPRIATION SUMMARY**

<b>GROSS APPROPRIATION</b> .....		<b>\$ 2,500,000</b>
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Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers.....		0
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<b>ADJUSTED GROSS APPROPRIATION</b> .....		<b>\$ 2,500,000</b>
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Federal revenues:

Total federal revenues .....		0
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Special revenue funds:

Total local revenues.....		0
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Total private revenues.....		0
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Total other state restricted revenues .....		0
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State general fund/general purpose .....		\$ 2,500,000
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**(2) FORENSIC SCIENCES**

Marquette laboratory property acquisition and renovations .....		\$ 2,500,000
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<b>GROSS APPROPRIATION</b> .....		<b>\$ 2,500,000</b>
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Appropriated from:

State general fund/general purpose .....		\$ 2,500,000
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**Sec. 119. CAPITAL OUTLAY**

**(1) APPROPRIATION SUMMARY**

<b>GROSS APPROPRIATION</b> .....		<b>\$ 100</b>
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Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers.....		0
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<b>ADJUSTED GROSS APPROPRIATION</b> .....		<b>\$ 100</b>
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Federal revenues:

Total federal revenues .....		0
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Special revenue funds:

Total local revenues.....		0
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Total private revenues.....		0
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Total other state restricted revenues .....		0
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State general fund/general purpose .....		\$ 100
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**(2) STATE BUILDING AUTHORITY FINANCED CONSTRUCTION**

**AUTHORIZATIONS**

Western Michigan University - Sangren hall replacement - (total authorized cost \$60,000,000; state building authority share \$11,699,800; Western Michigan University share \$48,300,000; state general fund share \$200).....		\$ 100
<b>GROSS APPROPRIATION</b> .....		<b>\$ 100</b>

Appropriated from:

State general fund/general purpose .....		\$ 100
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## PART 2

### PROVISIONS CONCERNING APPROPRIATIONS

#### **GENERAL SECTIONS**

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this appropriation act for the fiscal year ending September 30, 2010 is \$2,500,100.00 and state appropriations paid to local units of government are \$0.

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

Sec. 203. The line-item appropriations in part 1 financed by federal funds designated as ARRA funding represent federal funds associated with the American recovery and reinvestment act of 2009, Public Law 111-5. These federal funds are temporary in nature. It is the intent of the legislature that when these temporary federal funds are fully expended, the program funding levels and any state employees supported by these temporary federal funds will not be continued.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount equal to any additional federal funding awarded to this state through recalculation of formulas and under the redistribution provisions of the American recovery and reinvestment act of 2009, Public Law 111-5.

(2) Within 30 days of receiving such an award, a department shall report to the senate and house appropriations subcommittees, senate and house fiscal agencies, state budget director, and the governor on the amount of funds received and the purposes for which they will be spent.

Sec. 211. The unexpended funds appropriated in part 1 and in section 210 and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purposes of the projects to be carried forward are to protect and invest in the natural resources, infrastructure, and people of the state of Michigan in accordance with the provisions of the American recovery and reinvestment act of 2009, Public Law 111-5.

(b) The projects will be accomplished by state employees and by contract.

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

(d) The tentative completion date is September 30, 2013.

Sec. 212. (1) In a form and manner determined by the recipient department, local governments and other eligible sub-recipients receiving funds through this act shall comply with all requirements corresponding to the receipt of funds, including, but not limited to, any certifications, assurances, and accountability and transparency provisions required in the American recovery and reinvestment act of 2009, Public Law 111-5.

(2) Funds appropriated in part 1 may be transferred to subrecipient state departments or agencies in an interdepartmental grant consistent with the requirements of the American recovery and reinvestment act of 2009, Public Law 111-5.

#### **CAPITAL OUTLAY PROCESSES, PROCEDURES AND REPORTS**

Sec. 301. (1) Before proceeding with final planning and construction for projects at community colleges and universities included in an appropriations act, the community college or university shall sign an agreement with the department that includes the following provisions:

(a) The university or community college agrees to construct the project within the total authorized cost established by the legislature pursuant to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, and an appropriations act.

(b) The design and program scope of the project shall not deviate from the design and program scope represented in the program statement and preliminary planning documents approved by the department.

(c) Any other items as identified by the department that are necessary to complete the project.

(2) The department retains the authority and responsibility normally associated with the prudent maintenance of the public's financial and policy interests relative to the state-financed construction projects managed by a community college or university.

Sec. 302. A state agency, college, or university shall take steps necessary to make available federal and other money indicated in this act, to make available federal or other money that may become available for the purposes for which appropriations are made in this act, and to use any part or all of the appropriations to meet matching requirements that are considered to be in the best interest of this state. However, the purpose, scope, and total estimated cost of a project shall not be altered to meet the matching requirements.

Sec. 303. If matching revenues are received in an amount less than the appropriations contained in this act, the state funds of the appropriation shall be reduced in the proportion to the amount of matching revenue received.

Sec. 304. (1) The director may require that the community colleges and universities that have an authorized project listed in part 1 submit documentation regarding the project match and governing board approval of the authorized project not more than 60 days after the beginning of the fiscal year.

(2) If the documentation required by the director under subsection (1) is not submitted, or does not adequately authenticate the availability of the project match or board approval of the authorized project, the authorization may terminate. The authorization terminates 30 days after the director notifies the JCOS of the intent to terminate the project unless the JCOS convenes to extend the authorization.

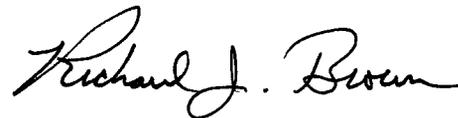
**DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH**

Sec. 351. The department shall report by September 30, 2010 on the spending from the appropriations in part 1 to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved .....

.....  
Governor

Act No. 142  
 Public Acts of 2010  
 Approved by the Governor  
 August 3, 2010  
 Filed with the Secretary of State  
 August 4, 2010  
 EFFECTIVE DATE: August 4, 2010

**STATE OF MICHIGAN  
 95TH LEGISLATURE  
 REGULAR SESSION OF 2010**

Introduced by Senator Jelinek

# ENROLLED SENATE BILL No. 797

AN ACT to make, supplement, and adjust appropriations for various state departments and agencies and certain other state purposes for the fiscal year ending September 30, 2010; and to provide for the expenditure of the appropriations.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the various state departments and agencies and certain other state purposes to supplement appropriations for the fiscal year ending September 30, 2010, from the following funds:

**APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	79,092,200
Total interdepartmental grants and intradepartmental transfers.....		(2,615,600)
ADJUSTED GROSS APPROPRIATION .....	\$	81,707,800
Total federal revenues .....		115,810,900
Total local revenues.....		(1,194,700)
Total private revenues.....		(295,900)
Total other state restricted revenues .....		(9,478,800)
State general fund/general purpose .....	\$	(23,133,700)

**Sec. 102. DEPARTMENT OF AGRICULTURE**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	(450,900)
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	(450,900)
Federal revenues:		
Total federal revenues .....		(100,000)
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues .....		(128,700)
State general fund/general purpose .....	\$	(222,200)

<b>(2) EXECUTIVE</b>	
Unclassified positions.....	\$ (2,300)
Executive direction .....	(9,900)
Management services.....	(24,100)
Emergency management.....	(1,500)
GROSS APPROPRIATION .....	\$ (37,800)
Appropriated from:	
Special revenue funds:	
Gasoline inspection and testing fund.....	(20,000)
State general fund/general purpose .....	\$ (17,800)
<b>(3) FOOD AND DAIRY</b>	
Food safety and quality assurance .....	\$ (80,400)
GROSS APPROPRIATION .....	\$ (80,400)
Appropriated from:	
State general fund/general purpose .....	\$ (80,400)
<b>(4) ANIMAL INDUSTRY</b>	
Animal health and welfare .....	\$ (9,700)
Bovine tuberculosis program.....	(35,500)
GROSS APPROPRIATION .....	\$ (45,200)
Appropriated from:	
State general fund/general purpose .....	\$ (45,200)
<b>(5) PESTICIDE AND PLANT PEST MANAGEMENT</b>	
Pesticide and plant pest management .....	\$ (33,000)
Emerald ash borer control program .....	(100,000)
GROSS APPROPRIATION .....	\$ (133,000)
Appropriated from:	
Federal revenues:	
DAG, multiple grants.....	(100,000)
State general fund/general purpose .....	\$ (33,000)
<b>(6) ENVIRONMENTAL STEWARDSHIP</b>	
Environmental stewardship.....	\$ (13,900)
Groundwater and freshwater protection program .....	(47,700)
GROSS APPROPRIATION .....	\$ (61,600)
Appropriated from:	
Special revenue funds:	
Freshwater protection fund.....	(47,700)
State general fund/general purpose .....	\$ (13,900)
<b>(7) LABORATORY PROGRAM</b>	
Laboratory services .....	\$ (27,800)
GROSS APPROPRIATION .....	\$ (27,800)
Appropriated from:	
State general fund/general purpose .....	\$ (27,800)
<b>(8) AGRICULTURE DEVELOPMENT</b>	
Agriculture development.....	\$ (52,200)
GROSS APPROPRIATION .....	\$ (52,200)
Appropriated from:	
Special revenue funds:	
Industry support funds.....	(50,000)
State general fund/general purpose .....	\$ (2,200)
<b>(9) INFORMATION AND TECHNOLOGY</b>	
Information technology services and projects.....	\$ (12,900)
GROSS APPROPRIATION .....	\$ (12,900)
Appropriated from:	
Special revenue funds:	
Gasoline inspection testing fund .....	(11,000)
State general fund/general purpose .....	\$ (1,900)

**Sec. 103. DEPARTMENT OF ATTORNEY GENERAL**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	(502,100)
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		(148,000)
ADJUSTED GROSS APPROPRIATION .....	\$	(354,100)
Federal revenues:		
Total federal revenues .....		(47,400)
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues .....		(99,500)
State general fund/general purpose .....	\$	(207,200)

**(2) ATTORNEY GENERAL OPERATIONS**

Unclassified positions.....	\$	(3,400)
Attorney general operations.....		(465,400)
Child support enforcement .....		(16,200)
Prosecuting attorneys coordinating council.....		(8,900)
GROSS APPROPRIATION .....	\$	(493,900)

Appropriated from:

Interdepartmental grant revenues:		
IDG from MDCH, health services.....		(15,800)
IDG from MDCH, WIC .....		(600)
IDG from department of corrections .....		(8,400)
IDG from MDE .....		(2,500)
IDG from MDEQ .....		(10,500)
IDG from MDHS .....		(25,000)
IDG from MDELEG, career education services.....		(1,700)
IDG from MDELEG, financial and insurance services .....		(7,600)
IDG from MDELEG, licensing and regulation fees.....		(300)
IDG from MDELEG, Michigan state housing development authority .....		(4,300)
IDG from MDELEG, remonumentation fees.....		(300)
IDG from DMVA .....		(900)
IDG from MDOT, comprehensive transportation fund.....		(800)
IDG from MDOT, state aeronautics fund.....		(1,200)
IDG from MDOT, state trunkline fund.....		(15,100)
IDG from MDSP .....		(2,900)
IDG from DMB, civil service commission .....		(1,700)
IDG from DMB, risk management revolving fund.....		(8,300)
IDG from treasury .....		(38,200)
IDG from treasury, strategic fund.....		(1,200)
IDG from MDIT .....		(700)
Federal revenues:		
DAG, state administrative match grant/food stamps .....		(1,600)
Federal funds.....		(11,500)
HHS, medical assistance, medigrant.....		(2,500)
HHS-OS, state Medicaid fraud control units.....		(31,800)
Special revenue funds:		
Antitrust enforcement collections .....		(2,300)
Assigned claims assessments .....		(800)
Auto repair facilities fees .....		(900)
Franchise fees .....		(2,500)
Game and fish protection fund .....		(5,700)
Homeowner construction lien recovery fund.....		(3,700)
Liquor purchase revolving fund.....		(9,400)
Manufactured housing fees .....		(1,500)
Merit award trust fund.....		(1,900)

For Fiscal Year  
Ending Sept. 30,  
2010

Michigan employment security act administrative fund .....	\$	(18,300)
Prisoner reimbursement.....		(2,900)
Public utility assessments .....		(16,200)
Real estate enforcement fund .....		(2,000)
Reinstatement fees.....		(600)
Retirement funds.....		(6,100)
Second injury fund .....		(4,700)
Self-insurers security fund.....		(1,500)
Silicosis and dust disease fund .....		(1,600)
State building authority revenue.....		(500)
State casino gaming fund .....		(8,700)
State lottery fund .....		(1,900)
Utility consumers fund .....		(2,700)
Waterways fund .....		(600)
Worker's compensation administrative revolving fund .....		(2,500)
State general fund/general purpose .....	\$	(199,000)

**(3) INFORMATION TECHNOLOGY**

Information technology services and projects.....	\$	(8,200)
GROSS APPROPRIATION .....	\$	(8,200)
Appropriated from:		
State general fund/general purpose .....	\$	(8,200)

**Sec. 104. DEPARTMENT OF CIVIL RIGHTS**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	(89,000)
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	(89,000)
Federal revenues:		
Total federal revenues .....		(13,700)
Special revenue funds:		
Total local revenues.....		0
Total private revenues .....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	(75,300)

**(2) CIVIL RIGHTS OPERATIONS**

Civil rights operations .....	\$	(84,300)
GROSS APPROPRIATION .....	\$	(84,300)
Appropriated from:		
Federal revenues:		
EEOC, state and local antidiscrimination agency contracts.....		(13,700)
State general fund/general purpose .....	\$	(70,600)

**(3) INFORMATION TECHNOLOGY**

Information technology services and projects.....	\$	(4,700)
GROSS APPROPRIATION .....	\$	(4,700)
Appropriated from:		
State general fund/general purpose .....	\$	(4,700)

**Sec. 105. DEPARTMENT OF COMMUNITY HEALTH**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	(4,535,300)
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		(339,800)
ADJUSTED GROSS APPROPRIATION .....	\$	(4,195,500)
Federal revenues:		
Total federal revenues .....		(849,300)
Federal FMAP stimulus (ARRA) .....		(22,600)

Special revenue funds:		
Total local revenues .....	\$	(1,104,700)
Total private revenues .....		0
Total other state restricted revenues .....		(402,000)
State general fund/general purpose .....	\$	(1,816,900)
<b>(2) DEPARTMENTWIDE ADMINISTRATION</b>		
Director and other unclassified .....	\$	(6,600)
Departmental administration and management .....		(146,800)
Developmental disabilities council and projects .....		(10,800)
GROSS APPROPRIATION .....	\$	(164,200)
Appropriated from:		
Federal revenues:		
Total federal revenues .....		(59,900)
Special revenue funds:		
Total other state restricted revenues .....		(3,100)
State general fund/general purpose .....	\$	(101,200)
<b>(3) MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS</b>		
Mental health/substance abuse program administration .....	\$	(86,200)
GROSS APPROPRIATION .....	\$	(86,200)
Appropriated from:		
Federal revenues:		
Total federal revenues .....		(27,900)
State general fund/general purpose .....	\$	(58,300)
<b>(4) COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAM</b>		
CMHSP, purchase of state services contracts .....	\$	(977,300)
Nursing home PAS/ARR-OBRA .....		(6,000)
GROSS APPROPRIATION .....	\$	(983,300)
Appropriated from:		
Federal revenues:		
Total federal revenues .....		(4,500)
State general fund/general purpose .....	\$	(978,800)
<b>(5) STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES</b>		
Caro Regional Mental Health Center .....	\$	(372,400)
Kalamazoo Psychiatric Hospital .....		(406,800)
Walter P. Reuther Psychiatric Hospital .....		(391,100)
Hawthorn Center .....		(184,800)
Center for forensic psychiatry .....		(344,300)
Forensic mental health services provided to the department of corrections .....		(339,800)
GROSS APPROPRIATION .....	\$	(2,039,200)
Appropriated from:		
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		(339,800)
Federal revenues:		
Total federal revenues .....		(149,500)
Federal FMAP stimulus (ARRA) .....		(22,600)
Special revenue funds:		
CMHSP, purchase of state services contracts .....		(977,300)
Other local revenues .....		(127,400)
Total other state restricted revenues .....		(110,800)
State general fund/general purpose .....	\$	(311,800)
<b>(6) PUBLIC HEALTH ADMINISTRATION</b>		
Public health administration .....	\$	(16,900)
Vital records and health statistics .....		(50,800)
Minority health grants and contracts .....		(3,300)
GROSS APPROPRIATION .....	\$	(71,000)

Appropriated from:	
Federal revenues:	
Total federal revenues .....	\$ (21,200)
Special revenue funds:	
Total other state restricted revenues .....	(36,200)
State general fund/general purpose .....	\$ (13,600)
<b>(7) HEALTH POLICY, REGULATION, AND PROFESSIONS</b>	
Health systems administration .....	\$ (141,900)
Emergency medical services program state staff .....	(8,300)
Radiological health administration .....	(24,000)
Health professions .....	(111,000)
Background check program .....	(3,900)
Health policy, regulation, and professions administration .....	(22,800)
Certificate of need program administration .....	(15,200)
GROSS APPROPRIATION .....	\$ <u>(327,100)</u>
Appropriated from:	
Federal revenues:	
Total federal revenues .....	(121,500)
Special revenue funds:	
Total other state restricted revenues .....	(154,400)
State general fund/general purpose .....	\$ (51,200)
<b>(8) INFECTIOUS DISEASE CONTROL</b>	
Sexually transmitted disease control management and field support .....	\$ (12,000)
Immunization program management and field support .....	(10,300)
AIDS prevention, testing, and care programs .....	(7,500)
GROSS APPROPRIATION .....	\$ <u>(29,800)</u>
Appropriated from:	
Federal revenues:	
Total federal revenues .....	(5,000)
Special revenue funds:	
Total other state restricted revenues .....	(22,900)
State general fund/general purpose .....	\$ (1,900)
<b>(9) LABORATORY SERVICES</b>	
Laboratory services .....	\$ (98,500)
GROSS APPROPRIATION .....	\$ <u>(98,500)</u>
Appropriated from:	
Federal revenues:	
Total federal revenues .....	(3,000)
Special revenue funds:	
Total other state restricted revenues .....	(24,600)
State general fund/general purpose .....	\$ (70,900)
<b>(10) EPIDEMIOLOGY</b>	
Bioterrorism preparedness .....	\$ (55,800)
Epidemiology administration .....	(37,800)
Lead abatement program .....	(5,200)
Newborn screening follow-up and treatment services .....	(11,300)
GROSS APPROPRIATION .....	\$ <u>(110,100)</u>
Appropriated from:	
Federal revenues:	
Total federal revenues .....	(77,000)
Special revenue funds:	
Total other state restricted revenues .....	(13,700)
State general fund/general purpose .....	\$ (19,400)
<b>(11) CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION</b>	
Cancer prevention and control program .....	\$ (9,200)
Smoking prevention program .....	(10,600)
Health education, promotion, and research programs .....	(7,300)

For Fiscal Year  
Ending Sept. 30,  
2010

Diabetes and kidney program .....	\$	(9,400)
Chronic disease prevention.....		(21,900)
GROSS APPROPRIATION .....	\$	(58,400)
Appropriated from:		
Federal revenues:		
Total federal revenues .....		(34,000)
Special revenue funds:		
Total other state restricted revenues .....		(20,400)
State general fund/general purpose .....	\$	(4,000)
<b>(12) FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES</b>		
Childhood lead program .....	\$	(2,600)
Family, maternal, and children's health services administration.....		(39,800)
GROSS APPROPRIATION .....	\$	(42,400)
Appropriated from:		
Federal revenues:		
Total federal revenues .....		(17,800)
State general fund/general purpose .....	\$	(24,600)
<b>(13) WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM</b>		
Women, infants, and children program administration and special projects .....	\$	(30,000)
GROSS APPROPRIATION .....	\$	(30,000)
Appropriated from:		
Federal revenues:		
Total federal revenues .....		(30,000)
State general fund/general purpose .....	\$	0
<b>(14) CHILDREN'S SPECIAL HEALTH CARE SERVICES</b>		
Children's special health care services administration .....	\$	(37,600)
GROSS APPROPRIATION .....	\$	(37,600)
Appropriated from:		
Federal revenues:		
Total federal revenues .....		(14,000)
State general fund/general purpose .....	\$	(23,600)
<b>(15) CRIME VICTIM SERVICES COMMISSION</b>		
Grants administration services .....	\$	(9,400)
GROSS APPROPRIATION .....	\$	(9,400)
Appropriated from:		
Federal revenues:		
Total federal revenues .....		(1,700)
Special revenue funds:		
Total other state restricted revenues .....		(7,700)
State general fund/general purpose .....	\$	0
<b>(16) OFFICE OF SERVICES TO THE AGING</b>		
Office of services to aging administration.....	\$	(38,500)
GROSS APPROPRIATION .....	\$	(38,500)
Appropriated from:		
Federal revenues:		
Total federal revenues .....		(20,000)
State general fund/general purpose .....	\$	(18,500)
<b>(17) MEDICAL SERVICES ADMINISTRATION</b>		
Medical services administration.....	\$	(277,000)
GROSS APPROPRIATION .....	\$	(277,000)
Appropriated from:		
Federal revenues:		
Total federal revenues .....		(177,000)
State general fund/general purpose .....	\$	(100,000)
<b>(18) INFORMATION TECHNOLOGY</b>		
Information technology services and projects.....	\$	(132,600)
GROSS APPROPRIATION .....	\$	(132,600)

Appropriated from:	
Federal revenues:	
Total federal revenues .....	\$ (85,300)
Special revenue funds:	
Total other state restricted revenues .....	(8,200)
State general fund/general purpose .....	\$ (39,100)

**Sec. 106. DEPARTMENT OF CORRECTIONS**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$ (14,628,200)
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	0
ADJUSTED GROSS APPROPRIATION .....	\$ (14,628,200)
Federal revenues:	
Total federal revenues .....	(2,600)
Special revenue funds:	
Total local revenues .....	0
Total private revenues .....	0
Total other state restricted revenues .....	(119,200)
State general fund/general purpose .....	\$ (14,506,400)

**(2) EXECUTIVE**

Unclassified positions.....	\$ (25,000)
Executive direction .....	(10,000)
GROSS APPROPRIATION .....	\$ (35,000)
Appropriated from:	
State general fund/general purpose .....	\$ (35,000)

**(3) PLANNING AND COMMUNITY SUPPORT**

Planning and community development support.....	\$ (56,000)
Substance abuse testing and treatment services.....	(5,000)
GROSS APPROPRIATION .....	\$ (61,000)
Appropriated from:	
State general fund/general purpose .....	\$ (61,000)

**(4) OPERATIONS SUPPORT ADMINISTRATION**

Operations support administration.....	\$ (45,000)
Bureau of fiscal management .....	(58,900)
Office of legal services .....	(20,000)
Internal affairs .....	(10,000)
GROSS APPROPRIATION .....	\$ (133,900)
Appropriated from:	
State general fund/general purpose .....	\$ (133,900)

**(5) FIELD OPERATIONS ADMINISTRATION**

Field operations .....	\$ (1,390,000)
Parole board operations.....	(45,000)
Community re-entry centers .....	(25,000)
Electronic monitoring center.....	(30,000)
GROSS APPROPRIATION .....	\$ (1,490,000)
Appropriated from:	
State general fund/general purpose .....	\$ (1,490,000)

**(6) CORRECTIONAL FACILITIES ADMINISTRATION**

Correctional facilities administration.....	\$ (95,000)
Prison food service .....	(400,000)
Transportation.....	(25,000)
Central records .....	(35,000)
DOJ psychiatric plan MDCH mental health services .....	(339,800)
DOJ psychiatric plan MDOC staff and services.....	(100,000)
Prison store operations.....	(30,000)
Prison industries operations.....	(86,100)
Education services and federal education grants .....	(4,600)

For Fiscal Year  
Ending Sept. 30,  
2010

MPRI education program .....	\$	(260,000)
GROSS APPROPRIATION .....	\$	<u>(1,375,500)</u>
Appropriated from:		
Federal revenues:		
DED, vocational education equipment .....		(400)
DED-OESE, title 1 .....		(1,800)
DED, youthful offender/Specter grant .....		(400)
Special revenue funds:		
Correctional industries revolving fund .....		(86,100)
Resident stores .....		(30,000)
State general fund/general purpose .....	\$	<u>(1,256,800)</u>
<b>(7) HEALTH CARE</b>		
Health care administration .....	\$	(20,000)
Northern region clinical complexes .....		(200,000)
Southeastern region clinical complexes .....		(445,000)
Southwestern region clinical complexes .....		(255,000)
GROSS APPROPRIATION .....	\$	<u>(920,000)</u>
Appropriated from:		
State general fund/general purpose .....	\$	(920,000)
<b>(8) NORTHERN REGION CORRECTIONAL FACILITIES</b>		
Alger maximum correctional facility - Munising .....	\$	(265,000)
Baraga maximum correctional facility - Baraga .....		(345,000)
Chippewa correctional facility - Kincheloe.....		(490,000)
Kinross correctional facility - Kincheloe.....		(360,000)
Marquette branch prison - Marquette .....		(350,000)
Newberry correctional facility - Newberry .....		(280,000)
Oaks correctional facility - Eastlake .....		(320,000)
Ojibway correctional facility - Marenisco.....		(220,000)
Pugsley correctional facility - Kingsley.....		(235,000)
Saginaw correctional facility - Freeland.....		(330,000)
Northern region administration and support .....		(30,000)
GROSS APPROPRIATION .....	\$	<u>(3,225,000)</u>
Appropriated from:		
State general fund/general purpose .....	\$	(3,225,000)
<b>(9) SOUTHEASTERN REGION CORRECTIONAL FACILITIES</b>		
Cooper street correctional facility - Jackson .....	\$	(280,000)
G. Robert Cotton correctional facility - Jackson.....		(410,000)
Charles E. Egeler correctional facility - Jackson .....		(355,000)
Gus Harrison correctional facility - Adrian .....		(435,000)
Huron Valley correctional complex - Ypsilanti.....		(520,000)
Macomb correctional facility - New Haven.....		(290,000)
Maxey/Woodland Center correctional facility - Whitmore Lake .....		(155,000)
Mound correctional facility - Detroit.....		(300,000)
Parnall correctional facility - Jackson.....		(265,000)
Ryan correctional facility - Detroit .....		(290,000)
Thumb correctional facility - Lapeer .....		(300,000)
Special alternative incarceration program (Camp Cassidy Lake).....		(120,000)
Southeastern region administration and support .....		(100,000)
GROSS APPROPRIATION .....	\$	<u>(3,820,000)</u>
Appropriated from:		
State general fund/general purpose .....	\$	(3,820,000)
<b>(10) SOUTHWESTERN REGION CORRECTIONAL FACILITIES</b>		
Bellamy Creek correctional facility - Ionia .....	\$	(410,000)
Earnest C. Brooks correctional facility - Muskegon .....		(440,000)
Carson City correctional facility - Carson City .....		(465,000)
Richard A. Handlon correctional facility - Ionia.....		(240,000)
Ionia maximum correctional facility - Ionia.....		(310,000)
Lakeland correctional facility - Coldwater.....		(475,000)

	For Fiscal Year Ending Sept. 30, 2010
Michigan reformatory - Ionia .....	\$ (300,000)
Pine River correctional facility - St. Louis .....	(225,000)
St. Louis correctional facility - St. Louis .....	(540,000)
Southwestern region administration and support .....	(70,000)
GROSS APPROPRIATION .....	\$ (3,475,000)
Appropriated from:	
State general fund/general purpose .....	\$ (3,475,000)
<b>(11) INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ (92,800)
GROSS APPROPRIATION .....	\$ (92,800)
Appropriated from:	
Special revenue funds:	
Correctional industries revolving fund.....	(3,100)
State general fund/general purpose .....	\$ (89,700)
<b>Sec. 107. DEPARTMENT OF EDUCATION</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
GROSS APPROPRIATION .....	\$ (438,200)
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	0
ADJUSTED GROSS APPROPRIATION .....	\$ (438,200)
Federal revenues:	
Total federal revenues .....	(304,000)
Special revenue funds:	
Total local revenues.....	(37,100)
Total private revenues .....	0
Total other state restricted revenues .....	(29,900)
State general fund/general purpose .....	\$ (67,200)
<b>(2) STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT</b>	
State board/superintendent operations .....	\$ (6,700)
GROSS APPROPRIATION .....	\$ (6,700)
Appropriated from:	
Special revenue funds:	
Certification fees.....	(2,300)
State general fund/general purpose .....	\$ (4,400)
<b>(3) CENTRAL SUPPORT</b>	
Central support.....	\$ (15,300)
GROSS APPROPRIATION .....	\$ (15,300)
Appropriated from:	
Federal revenues:	
Federal revenues.....	(12,100)
Federal indirect funds .....	(1,000)
Special revenue funds:	
Certification fees.....	(1,200)
State general fund/general purpose .....	\$ (1,000)
<b>(4) INFORMATION TECHNOLOGY SERVICES</b>	
Information technology operations.....	\$ (38,000)
GROSS APPROPRIATION .....	\$ (38,000)
Appropriated from:	
Federal revenues:	
Federal revenues.....	(13,800)
Federal indirect funds .....	(12,600)
Special revenue funds:	
Local cost sharing (schools for deaf/blind).....	(1,200)
Certification fees.....	(2,400)
State general fund/general purpose .....	\$ (8,000)
<b>(5) SPECIAL EDUCATION SERVICES</b>	
Special education operations.....	\$ (35,700)
GROSS APPROPRIATION .....	\$ (35,700)

Appropriated from:	
Federal revenues:	
Federal revenues .....	\$ (33,700)
State general fund/general purpose .....	\$ (2,000)
<b>(6) MICHIGAN SCHOOLS FOR THE DEAF AND BLIND</b>	
Michigan schools for the deaf and blind operations .....	\$ (76,100)
GROSS APPROPRIATION .....	\$ (76,100)
Appropriated from:	
Federal revenues:	
Federal revenues .....	(40,200)
Special revenue funds:	
Local cost sharing (schools for deaf/blind) .....	(35,900)
State general fund/general purpose .....	\$ 0
<b>(7) PROFESSIONAL PREPARATION SERVICES</b>	
Professional preparation operations .....	\$ (24,400)
GROSS APPROPRIATION .....	\$ (24,400)
Appropriated from:	
Federal revenues:	
Federal revenues .....	(1,800)
Special revenue funds:	
Certification fees .....	(22,600)
State general fund/general purpose .....	\$ 0
<b>(8) EARLY CHILDHOOD EDUCATION AND FAMILY SERVICES</b>	
Early childhood education and family services operations .....	\$ (21,900)
GROSS APPROPRIATION .....	\$ (21,900)
Appropriated from:	
Federal revenues:	
Federal revenues .....	(19,900)
State general fund/general purpose .....	\$ (2,000)
<b>(9) SCHOOL IMPROVEMENT SERVICES</b>	
School improvement operations .....	\$ (50,400)
GROSS APPROPRIATION .....	\$ (50,400)
Appropriated from:	
Federal revenues:	
Federal revenues .....	(48,400)
State general fund/general purpose .....	\$ (2,000)
<b>(10) SCHOOL FINANCE AND SCHOOL LAW SERVICES</b>	
School finance and school law operations .....	\$ (16,400)
GROSS APPROPRIATION .....	\$ (16,400)
Appropriated from:	
Federal revenues:	
Federal revenues .....	(8,200)
Special revenue funds:	
Certification fees .....	(1,400)
State general fund/general purpose .....	\$ (6,800)
<b>(11) EDUCATION ASSESSMENT AND ACCOUNTABILITY</b>	
Educational assessment operations .....	\$ (42,400)
GROSS APPROPRIATION .....	\$ (42,400)
Appropriated from:	
Federal revenues:	
Federal revenues .....	(42,400)
State general fund/general purpose .....	\$ 0
<b>(12) GRANTS ADMINISTRATION AND SCHOOL SUPPORT SERVICES</b>	
Grants administration and school support services operations .....	\$ (52,900)
GROSS APPROPRIATION .....	\$ (52,900)
Appropriated from:	
Federal revenues:	
Federal revenues .....	(51,300)
State general fund/general purpose .....	\$ (1,600)

**(13) CAREER AND TECHNICAL EDUCATION**

Career and technical education operations .....	\$ (22,700)
<b>GROSS APPROPRIATION</b> .....	<b>\$ (22,700)</b>
Appropriated from:	
Federal revenues:	
Federal revenues .....	(17,800)
State general fund/general purpose .....	\$ (4,900)
<b>(14) LIBRARY OF MICHIGAN</b>	
Library of Michigan operations.....	\$ (34,500)
Library services and technology program.....	(800)
<b>GROSS APPROPRIATION</b> .....	<b>\$ (35,300)</b>
Appropriated from:	
Federal revenues:	
IMLS, library services and technology act.....	(800)
State general fund/general purpose .....	\$ (34,500)

**Sec. 108. DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH**

**(1) APPROPRIATION SUMMARY**

<b>GROSS APPROPRIATION</b> .....	\$ (134,000)
Total interdepartmental grants and intradepartmental transfers.....	(170,300)
<b>ADJUSTED GROSS APPROPRIATION</b> .....	<b>\$ 36,300</b>
Federal revenues:	
Total federal revenues .....	1,739,900
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	0
Total other state restricted revenues .....	(1,509,900)
State general fund/general purpose .....	\$ (193,700)

**(2) DEPARTMENTAL ADMINISTRATION**

Unclassified salaries.....	\$ (19,600)
Executive director programs .....	(50,300)
Administrative services.....	(63,900)
<b>GROSS APPROPRIATION</b> .....	<b>\$ (133,800)</b>
Appropriated from:	
Federal revenues:	
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants.....	(15,000)
DOL-ETA, workforce investment act.....	(5,700)
DOL, federal funds.....	(20,500)
DOL-ETA, unemployment insurance.....	(35,300)
Special revenue funds:	
Bank fees.....	(700)
Construction code fund.....	(5,500)
Consumer finance fees .....	(1,000)
Corporation fees.....	(8,700)
Credit union fees.....	(500)
Insurance bureau fund.....	(2,500)
Insurance licensing and regulation fees .....	(600)
Licensing and regulation fees.....	(500)
Liquor purchase revolving fund.....	(13,800)
MBLSLA fund.....	(1,400)
Michigan state housing development authority fees and charges.....	(3,000)
Motor carrier fees.....	(500)
Public utility assessments .....	(5,200)
Retired engineers technical assistance program fund.....	(900)
Safety education and training fund .....	(200)
Securities fees .....	(3,400)
State general fund/general purpose .....	\$ (8,900)

<b>(3) OFFICE OF FINANCIAL AND INSURANCE REGULATION</b>	
Administration .....	\$ (45,800)
Regulatory compliance and consumer assistance .....	(79,800)
Financial evaluation .....	(177,500)
GROSS APPROPRIATION .....	\$ (303,100)
Appropriated from:	
Special revenue funds:	
Bank fees.....	(48,500)
Consumer finance fees .....	(12,400)
Credit union fees.....	(48,600)
Deferred presentment service transaction fees.....	(1,500)
Insurance bureau fund.....	(110,100)
Insurance continuing education fees .....	(5,000)
Insurance licensing and regulation fees .....	(27,400)
MBLSLA fund.....	(30,000)
Multiple employer welfare arrangement.....	(400)
Securities fees .....	(19,200)
State general fund/general purpose .....	\$ 0
<b>(4) PUBLIC SERVICE COMMISSION AND ENERGY SYSTEMS</b>	
Public service commission.....	\$ (174,700)
Bureau of energy systems .....	(14,700)
METRO authority .....	(3,000)
GROSS APPROPRIATION .....	\$ (192,400)
Appropriated from:	
Federal revenues:	
DOE-OEERE, multiple grants.....	(7,700)
Special revenue funds:	
Public utility assessments .....	(175,200)
Retired engineers technical assistance program .....	(7,000)
Video franchise assessments.....	(2,500)
State general fund/general purpose .....	\$ 0
<b>(5) LIQUOR CONTROL COMMISSION</b>	
Management support services.....	\$ (21,100)
Liquor licensing and enforcement .....	(108,000)
GROSS APPROPRIATION .....	\$ (129,100)
Appropriated from:	
Special revenue funds:	
Liquor license revenue .....	(64,800)
Liquor purchase revolving fund.....	(64,300)
State general fund/general purpose .....	\$ 0
<b>(6) MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY</b>	
Housing and rental assistance program .....	\$ (265,100)
State historic preservation programs .....	(13,300)
GROSS APPROPRIATION .....	\$ (278,400)
Appropriated from:	
Federal revenues:	
DOI-NPS, historic preservation grants-in-aid .....	(6,000)
Special revenue funds:	
Michigan state housing development authority fees and charges.....	(272,400)
State general fund/general purpose .....	\$ 0
<b>(7) OCCUPATIONAL REGULATION</b>	
Boiler inspection program.....	\$ (21,600)
Bureau of fire services.....	(43,200)
Code enforcement.....	(63,800)
Commercial services.....	(119,900)
Elevator inspection program.....	(30,700)
Manufactured housing and land resources program .....	(9,200)
Property development group .....	(2,600)
GROSS APPROPRIATION .....	\$ (291,000)

Appropriated from:	
Special revenue funds:	
Accountancy enforcement fund .....	\$ (1,600)
Boiler fee revenue .....	(23,600)
Builder enforcement fund .....	(200)
Construction code fund .....	(59,900)
Corporation fees .....	(32,000)
Elevator fees .....	(32,600)
Fire alarm fees .....	(3,000)
Licensing and regulation fees .....	(80,100)
Mobile home code fund .....	(9,200)
Property development fees .....	(2,600)
Real estate appraiser continuing education fund .....	(300)
Real estate enforcement fund .....	(3,900)
Security business fund .....	(1,800)
State general fund/general purpose .....	\$ (40,200)
<b>(8) MICHIGAN OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION</b>	
Occupational safety and health .....	\$ (192,900)
GROSS APPROPRIATION .....	\$ (192,900)
Appropriated from:	
Federal revenues:	
DOL, multiple grants for safety and health .....	(100,400)
Special revenue funds:	
Corporation fees .....	(32,900)
Fees and collections/asbestos .....	(4,900)
Safety education and training fund .....	(46,000)
Securities fees .....	(8,700)
State general fund/general purpose .....	\$ 0
<b>(9) BUREAU OF WORKER'S AND UNEMPLOYMENT COMPENSATION</b>	
Administration .....	\$ (52,100)
Board of magistrates and appellate commission .....	(7,000)
Wage and hour division .....	(25,900)
Insurance funds administration .....	(13,300)
Unemployment programs .....	(965,300)
Special audit and collections program .....	(20,300)
Training program for agency staff .....	(2,000)
Expanded fraud control program .....	(25,600)
GROSS APPROPRIATION .....	\$ (1,111,500)
Appropriated from:	
Federal revenues:	
DOL-ETA, unemployment insurance .....	(1,013,200)
Special revenue funds:	
Second injury fund .....	(7,100)
Self-insurers security fund .....	(3,400)
Silicosis and dust disease fund .....	(2,800)
Worker's compensation administrative revolving fund .....	(12,700)
State general fund/general purpose .....	\$ (72,300)
<b>(10) STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES</b>	
Administrative hearings and rules .....	\$ (210,800)
GROSS APPROPRIATION .....	\$ (210,800)
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of education .....	(131,700)
Federal revenues:	
DOL-ETA, multiple grants for safety and health .....	(15,000)
Special revenue funds:	
Construction code fund .....	(17,000)
Licensing and regulation fees .....	(35,000)
Safety education and training fund .....	(12,100)
State general fund/general purpose .....	\$ 0

<b>(11) INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ (210,000)
<b>GROSS APPROPRIATION</b> .....	<b>\$ (210,000)</b>
Appropriated from:	
Federal revenues:	
DOL-ETA, unemployment insurance.....	(140,000)
Special revenue funds:	
Land bank fast-track fund .....	(70,000)
State general fund/general purpose .....	\$ 0
<b>(12) WORKFORCE DEVELOPMENT</b>	
Employment services.....	\$ (195,400)
Jobs, education, and training program .....	(38,600)
Labor market information.....	(29,200)
Michigan rehabilitation services .....	(430,000)
Workforce programs administration .....	(69,300)
<b>GROSS APPROPRIATION</b> .....	<b>\$ (762,500)</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of human services .....	(38,600)
Federal revenues:	
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants.....	(363,000)
DOL-ETA, workforce investment act.....	(48,000)
DOL, federal funds.....	(220,000)
HHS-SSA, supplemental security income.....	(4,200)
HHS, temporary assistance for needy families.....	(11,600)
Special revenue funds:	
Contingent fund, penalty and interest account.....	(12,000)
Rehabilitation service fees.....	(6,800)
State general fund/general purpose .....	\$ (58,300)
<b>(13) CAREER EDUCATION</b>	
Postsecondary education .....	\$ (14,000)
Adult education.....	(10,600)
<b>GROSS APPROPRIATION</b> .....	<b>\$ (24,600)</b>
Appropriated from:	
Federal revenues:	
Federal revenues.....	(16,900)
Special revenue funds:	
Defaulted loan collection fees .....	(600)
Private occupational school license fees .....	(3,000)
State general fund/general purpose .....	\$ (4,100)
<b>(14) BOARDS, AUTHORITIES, AND COMMISSIONS</b>	
MES board of review program .....	\$ (14,500)
Land bank fast-track authority.....	(7,400)
Commission on Spanish-speaking affairs.....	(2,100)
Commission on disability concerns .....	(4,500)
Commission for the blind .....	(26,400)
Tax tribunal operations .....	(12,700)
Employment and labor relations.....	(26,300)
<b>GROSS APPROPRIATION</b> .....	<b>\$ (93,900)</b>
Appropriated from:	
Federal revenues:	
DOL-ETA, unemployment insurance.....	(14,500)
Federal revenues.....	(23,100)
Special revenue funds:	
Land bank fast-track fund .....	(7,400)
Securities fees .....	(26,300)
Tax tribunal fund.....	(12,700)
State general fund/general purpose .....	\$ (9,900)

<b>(15) DEPARTMENT GRANTS</b>	
Workforce training program subgrantees (ARRA).....	\$ 3,800,000
<b>GROSS APPROPRIATION</b> .....	<u>\$ 3,800,000</u>
Appropriated from:	
Federal revenues:	
DOL-ETA, national emergency grants (ARRA) .....	3,800,000
Special revenue funds:	
State general fund/general purpose .....	\$ 0
 <b>Sec. 109. EXECUTIVE OFFICE</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
<b>GROSS APPROPRIATION</b> .....	\$ (39,000)
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	0
<b>ADJUSTED GROSS APPROPRIATION</b> .....	<u>\$ (39,000)</u>
Federal revenues:	
Total federal revenues .....	0
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	0
Total other state restricted revenues .....	0
State general fund/general purpose .....	\$ (39,000)
<b>(2) EXECUTIVE OFFICE OPERATIONS</b>	
Executive office.....	\$ (39,000)
<b>GROSS APPROPRIATION</b> .....	<u>\$ (39,000)</u>
Appropriated from:	
State general fund/general purpose .....	\$ (39,000)
 <b>Sec. 110. DEPARTMENT OF HUMAN SERVICES</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
<b>GROSS APPROPRIATION</b> .....	\$ 114,145,100
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	0
<b>ADJUSTED GROSS APPROPRIATION</b> .....	<u>\$ 114,145,100</u>
Federal revenues:	
Total federal revenues .....	116,888,000
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	0
Total other state restricted revenues .....	0
State general fund/general purpose .....	\$ (2,742,900)
<b>(2) EXECUTIVE OPERATIONS</b>	
Salaries and wages .....	\$ (50,000)
Inspector general salaries and wages.....	(20,000)
AFC, children's welfare and day care licensure .....	(50,000)
Electronic benefit transfer EBT.....	4,552,700
<b>GROSS APPROPRIATION</b> .....	<u>\$ 4,432,700</u>
Appropriated from:	
Federal revenues:	
Total federal revenues .....	284,400
Federal supplemental nutrition assistance revenues (ARRA) .....	4,082,200
State general fund/general purpose .....	\$ 66,100
<b>(3) CHILD SUPPORT ENFORCEMENT</b>	
Child support enforcement operations.....	\$ (50,000)
<b>GROSS APPROPRIATION</b> .....	<u>\$ (50,000)</u>
Appropriated from:	
Federal revenues:	
Total federal revenues .....	(35,000)
State general fund/general purpose .....	\$ (15,000)

<b>(4) CHILDREN'S SERVICES</b>	
Salaries and wages .....	\$ (30,000)
Child welfare institute .....	(20,000)
GROSS APPROPRIATION .....	\$ (50,000)
Appropriated from:	
Federal revenues:	
Total other federal revenues.....	(28,000)
State general fund/general purpose .....	\$ (22,000)
<b>(5) CHILDREN'S RIGHTS SETTLEMENT</b>	
Children's services administration.....	\$ (30,000)
Child welfare field staff .....	(600,000)
Payroll taxes and fringe benefits.....	(60,000)
GROSS APPROPRIATION .....	\$ (690,000)
Appropriated from:	
Federal revenues:	
Total federal revenues .....	(171,000)
State general fund/general purpose .....	\$ (519,000)
<b>(6) LOCAL OFFICE STAFF AND OPERATIONS</b>	
Field staff, salaries and wages .....	\$ (5,426,500)
GROSS APPROPRIATION .....	\$ (5,426,500)
Appropriated from:	
Federal revenues:	
Total other federal revenues.....	(3,484,300)
State general fund/general purpose .....	\$ (1,942,200)
<b>(7) DISABILITY DETERMINATION SERVICES</b>	
Disability determination operations.....	\$ (350,000)
GROSS APPROPRIATION .....	\$ (350,000)
Appropriated from:	
Federal revenues:	
Total federal revenues .....	(350,000)
State general fund/general purpose .....	\$ 0
<b>(8) CENTRAL SUPPORT ACCOUNTS</b>	
Payroll taxes and fringe benefits.....	\$ (600,000)
GROSS APPROPRIATION .....	\$ (600,000)
Appropriated from:	
Federal revenues:	
Total other federal revenues.....	(396,000)
State general fund/general purpose .....	\$ (204,000)
<b>(9) INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ (292,100)
Child support automation.....	(22,000)
GROSS APPROPRIATION .....	\$ (314,100)
Appropriated from:	
Federal revenues:	
Total federal revenues .....	(207,300)
State general fund/general purpose .....	\$ (106,800)
<b>(10) PUBLIC ASSISTANCE</b>	
Food assistance program benefits .....	\$ 16,337,200
Food assistance program benefits (ARRA).....	100,855,800
GROSS APPROPRIATION .....	\$ 117,193,000
Appropriated from:	
Federal revenues:	
Total federal revenues .....	16,337,200
Federal supplemental nutrition assistance revenues (ARRA) .....	100,855,800
State general fund/general purpose .....	\$ 0

**Sec. 111. LEGISLATIVE AUDITOR GENERAL  
(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$ (142,800)
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Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....	\$	0
ADJUSTED GROSS APPROPRIATION .....	\$	(142,800)
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	(142,800)
<b>(2) OFFICE OF THE AUDITOR GENERAL</b>		
Field operations .....	\$	(142,800)
GROSS APPROPRIATION .....	\$	(142,800)
Appropriated from:		
State general fund/general purpose .....	\$	(142,800)
<b>Sec. 112. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS</b>		
<b>(1) APPROPRIATION SUMMARY</b>		
GROSS APPROPRIATION .....	\$	(829,100)
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	(829,100)
Federal revenues:		
Total federal revenues .....		(474,000)
Special revenue funds:		
Total local revenues.....		(5,600)
Total private revenues.....		0
Total other state restricted revenues .....		(169,000)
State general fund/general purpose .....	\$	(180,500)
<b>(2) HEADQUARTERS AND ARMORIES</b>		
Headquarters and armories.....	\$	(46,200)
Unclassified military personnel.....		(10,000)
Challenge program .....		(22,400)
GROSS APPROPRIATION .....	\$	(78,600)
Appropriated from:		
Federal revenues:		
DOD-DOA-NGB.....		(42,800)
Special revenue funds:		
Local - school aid fund .....		(5,600)
State general fund/general purpose .....	\$	(30,200)
<b>(3) MILITARY TRAINING SITES AND SUPPORT FACILITIES</b>		
Military training sites and support facilities .....	\$	(217,400)
GROSS APPROPRIATION .....	\$	(217,400)
Appropriated from:		
Federal revenues:		
DOD-DOA-NGB.....		(217,400)
Special revenue funds:		
State general fund/general purpose .....	\$	0
<b>(4) GRAND RAPIDS VETERANS' HOME</b>		
Grand Rapids veterans' home .....	\$	(373,100)
GROSS APPROPRIATION .....	\$	(373,100)
Appropriated from:		
Federal revenues:		
DVA-VHA.....		(130,600)
HHS, Medicaid .....		(1,800)
HHS, Medicare.....		(18,700)
Special revenue funds:		
Income and assessments .....		(115,700)
State general fund/general purpose .....	\$	(106,300)

**(5) D.J. JACOBETTI VETERANS' HOME**

D.J. Jacobetti veterans' home .....	\$ (148,100)
<b>GROSS APPROPRIATION .....</b>	<b>\$ (148,100)</b>
Appropriated from:	
Federal revenues:	
DVA-VHA .....	(54,500)
HHS, Medicare .....	(4,900)
Special revenue funds:	
Income and assessments .....	(48,600)
State general fund/general purpose .....	\$ (40,100)
<b>(6) VETERANS AFFAIRS DIRECTORATE</b>	
Veterans affairs directorate administration .....	\$ (2,200)
Veterans' trust fund grants .....	(4,700)
<b>GROSS APPROPRIATION .....</b>	<b>\$ (6,900)</b>
Appropriated from:	
Special revenue funds:	
Michigan veterans' trust fund .....	(4,700)
State general fund/general purpose .....	\$ (2,200)
<b>(7) INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ (5,000)
<b>GROSS APPROPRIATION .....</b>	<b>\$ (5,000)</b>
Appropriated from:	
Federal revenues:	
DOD-DOA-NGB .....	(3,300)
State general fund/general purpose .....	\$ (1,700)

**Sec. 113. DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENT**

**(1) APPROPRIATION SUMMARY**

<b>GROSS APPROPRIATION .....</b>	<b>\$ (2,869,200)</b>
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	(27,000)
<b>ADJUSTED GROSS APPROPRIATION .....</b>	<b>\$ (2,842,200)</b>
Federal revenues:	
Total federal revenues .....	(633,200)
Special revenue funds:	
Total local revenues .....	0
Total private revenues .....	(295,900)
Total other state restricted revenues .....	(1,515,300)
State general fund/general purpose .....	\$ (397,800)

**(2) ENVIRONMENTAL QUALITY APPROPRIATION SUMMARY**

<b>GROSS APPROPRIATION .....</b>	<b>\$ (1,401,200)</b>
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	(27,000)
<b>ADJUSTED GROSS APPROPRIATION .....</b>	<b>\$ (1,374,200)</b>
Federal revenues:	
Total federal revenues .....	(346,800)
Special revenue funds:	
Total other state restricted revenues .....	(726,600)
State general fund/general purpose .....	\$ (300,800)

**FUND SOURCE SUMMARY**

<b>GROSS APPROPRIATION .....</b>	<b>\$ (1,401,200)</b>
Interdepartmental grant revenues:	
IDT, laboratory services .....	(27,000)
<b>ADJUSTED GROSS APPROPRIATION .....</b>	<b>\$ (1,374,200)</b>
Federal revenues:	
Federal funds .....	(346,800)
Total federal revenues .....	(346,800)
Special revenue funds:	
Air emissions fees .....	(158,000)

For Fiscal Year  
Ending Sept. 30,  
2010

Environmental response fund .....	\$	(211,000)
Great Lakes protection fund .....		(3,600)
Land and water permit fees .....		(21,500)
Oil and gas regulatory fund .....		(64,500)
Restricted funds.....		(36,800)
Stormwater permit fees .....		(118,600)
Underground storage tank fees .....		(65,400)
Waste reduction fee revenue .....		(31,700)
Water analysis fees.....		(15,500)
Total other state restricted revenues .....		(726,600)
State general fund/general purpose .....	\$	(300,800)
<b>(3) EXECUTIVE OPERATIONS AND DEPARTMENT SUPPORT</b>		
Unclassified salaries.....	\$	(3,900)
Central operations .....		(69,800)
Office of the Great Lakes .....		(6,900)
GROSS APPROPRIATION .....	\$	(80,600)
Appropriated from:		
Federal revenues:		
Federal funds.....		(13,300)
Special revenue funds:		
Great Lakes protection fund .....		(3,600)
Restricted funds.....		(36,800)
State general fund/general purpose .....	\$	(26,900)
<b>(4) AIR QUALITY</b>		
Air quality programs .....	\$	(217,100)
GROSS APPROPRIATION .....	\$	(217,100)
Appropriated from:		
Special revenue funds:		
Air emissions fees.....		(158,000)
State general fund/general purpose .....	\$	(59,100)
<b>(5) OFFICE OF POLLUTION PREVENTION AND COMPLIANCE ASSISTANCE</b>		
Pollution prevention and technical assistance .....	\$	(33,100)
GROSS APPROPRIATION .....	\$	(33,100)
Appropriated from:		
Federal revenues:		
Federal funds.....		(1,400)
Special revenue funds:		
Waste reduction fee revenue .....		(31,700)
State general fund/general purpose .....	\$	0
<b>(6) OFFICE OF GEOLOGICAL SURVEY</b>		
Services to oil and gas programs.....	\$	(64,500)
GROSS APPROPRIATION .....	\$	(64,500)
Appropriated from:		
Special revenue funds:		
Oil and gas regulatory fund .....		(64,500)
State general fund/general purpose .....	\$	0
<b>(7) LAND AND WATER MANAGEMENT</b>		
Land and water interface programs .....	\$	(111,700)
Program direction and project assistance .....		(23,300)
GROSS APPROPRIATION .....	\$	(135,000)
Appropriated from:		
Federal revenues:		
Federal funds.....		(29,100)
Special revenue funds:		
Land and water permit fees .....		(21,500)
State general fund/general purpose .....	\$	(84,400)
<b>(8) REMEDIATION AND REDEVELOPMENT</b>		
Contaminated site investigations, cleanup and revitalization .....	\$	(189,000)

Federal cleanup project management.....	\$	(63,000)
Laboratory services .....		(42,500)
GROSS APPROPRIATION .....	\$	(294,500)
Appropriated from:		
Interdepartmental grant revenues:		
IDT, laboratory services.....		(27,000)
Federal revenues:		
Federal funds.....		(41,000)
Special revenue funds:		
Environmental response fund .....		(211,000)
Water analysis fees.....		(15,500)
State general fund/general purpose .....	\$	0
<b>(9) WASTE AND HAZARDOUS MATERIALS DIVISION</b>		
Hazardous waste management program.....	\$	(84,700)
Underground storage tank program.....		(65,400)
GROSS APPROPRIATION .....	\$	(150,100)
Appropriated from:		
Federal revenues:		
Federal funds.....		(70,000)
Special revenue funds:		
Underground storage tank fees .....		(65,400)
State general fund/general purpose .....	\$	(14,700)
<b>(10) WATER DIVISION</b>		
Water withdrawal assessment program.....	\$	(1,700)
Drinking water and environmental health.....		(170,400)
Groundwater discharge .....		(22,900)
NPDES nonstormwater program.....		(31,400)
Surface water .....		(144,000)
GROSS APPROPRIATION .....	\$	(370,400)
Appropriated from:		
Federal revenues:		
Federal funds.....		(151,800)
Special revenue funds:		
Stormwater permit fees .....		(118,600)
State general fund/general purpose .....	\$	(100,000)
<b>(11) CRIMINAL INVESTIGATIONS</b>		
Environmental investigations.....	\$	(18,500)
GROSS APPROPRIATION .....	\$	(18,500)
Appropriated from:		
Federal revenues:		
Federal funds.....		(6,300)
State general fund/general purpose .....	\$	(12,200)
<b>(12) INFORMATION TECHNOLOGY</b>		
Information technology services and projects.....	\$	(37,400)
GROSS APPROPRIATION .....	\$	(37,400)
Appropriated from:		
Federal revenues:		
Federal funds.....		(33,900)
State general fund/general purpose .....	\$	(3,500)
<b>(13) NATURAL RESOURCES APPROPRIATION SUMMARY</b>		
GROSS APPROPRIATION .....	\$	(1,468,000)
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	(1,468,000)
Federal revenues:		
Total federal revenues .....		(286,400)
Special revenue funds:		
Total local revenues.....		0

For Fiscal Year  
Ending Sept. 30,  
2010

Total private revenues .....	\$	(295,900)
Total other state restricted revenues .....		(788,700)
State general fund/general purpose .....	\$	(97,000)

**FUND SOURCE SUMMARY**

GROSS APPROPRIATION .....	\$	(1,468,000)
ADJUSTED GROSS APPROPRIATION .....		(1,468,000)

Federal revenues:

DAG, federal.....		(13,200)
DHS, federal.....		(21,100)
DOC, federal.....		(10,000)
EPA, federal .....		(242,100)
Total federal revenues .....		(286,400)

Special revenue funds:

Private funds .....		(295,900)
Forest development fund .....		(88,900)
Game and fish wildlife resource protection fund .....		(204,800)
Land exchange facilitation fund.....		(275,900)
Mackinac Island state park fund.....		(6,900)
Museum operations fund .....		(1,600)
Shop fees .....		(48,600)
Sportsmen against hunger fund.....		(162,000)
Total other state restricted revenues .....		(788,700)
State general fund/general purpose .....	\$	(97,000)

**(14) EXECUTIVE**

Unclassified salaries.....	\$	(4,400)
Communications .....		(36,700)
Executive direction .....		(16,000)
Legal coordination .....		(4,500)
GROSS APPROPRIATION .....	\$	(61,600)

Appropriated from:

Special revenue funds:

Private funds .....		(36,200)
Forest development fund .....		(23,100)
State general fund/general purpose .....	\$	(2,300)

**(15) ADMINISTRATIVE SERVICES**

Budget and support services .....	\$	(7,900)
Financial services .....		(19,000)
Grants administration.....		(900)
GROSS APPROPRIATION .....	\$	(27,800)

Appropriated from:

Special revenue funds:

Forest development fund .....		(24,600)
State general fund/general purpose .....	\$	(3,200)

**(16) LAND AND FACILITIES**

Land and facilities .....	\$	(278,200)
GROSS APPROPRIATION .....	\$	(278,200)

Appropriated from:

Special revenue funds:

Land exchange facilitation fund.....		(275,900)
State general fund/general purpose .....	\$	(2,300)

**(17) WILDLIFE MANAGEMENT**

Wildlife management.....	\$	(165,000)
GROSS APPROPRIATION .....	\$	(165,000)

Appropriated from:

Special revenue funds:

Sportsmen against hunger fund.....		(162,000)
State general fund/general purpose .....	\$	(3,000)

<b>(18) FISHERIES MANAGEMENT</b>	
Fish production .....	\$ (10,000)
Fisheries resource management .....	(165,100)
<b>GROSS APPROPRIATION</b> .....	<b>\$ (175,100)</b>
Appropriated from:	
Federal revenues:	
DAG, federal.....	(10,000)
DOC, federal.....	(10,000)
EPA, federal .....	(119,700)
Special revenue funds:	
Private funds .....	(35,400)
State general fund/general purpose .....	\$ 0
<b>(19) PARKS AND RECREATION</b>	
State parks.....	\$ (172,400)
<b>GROSS APPROPRIATION</b> .....	<b>\$ (172,400)</b>
Appropriated from:	
Federal revenues:	
EPA, federal .....	(122,400)
Special revenue funds:	
Private funds .....	(50,000)
State general fund/general purpose .....	\$ 0
<b>(20) MACKINAC ISLAND STATE PARK COMMISSION</b>	
Mackinac Island park operations .....	\$ (10,500)
Historical facilities system.....	(8,300)
<b>GROSS APPROPRIATION</b> .....	<b>\$ (18,800)</b>
Appropriated from:	
Special revenue funds:	
Mackinac Island state park fund.....	(6,900)
State general fund/general purpose .....	\$ (11,900)
<b>(21) MICHIGAN HISTORICAL PROGRAM</b>	
Historical administration and services .....	\$ (10,800)
Thunder Bay national marine sanctuary and underwater preserve .....	(1,000)
Museum stores .....	(1,600)
Archives.....	(5,900)
<b>GROSS APPROPRIATION</b> .....	<b>\$ (19,300)</b>
Appropriated from:	
Special revenue funds:	
Museum operations fund .....	(1,600)
State general fund/general purpose .....	\$ (17,700)
<b>(22) FOREST, MINERAL, AND FIRE MANAGEMENT</b>	
Cooperative resource programs .....	\$ (1,400)
Forest management and timber market development .....	(177,500)
Wildfire protection.....	(89,700)
Forest recreation.....	(7,200)
<b>GROSS APPROPRIATION</b> .....	<b>\$ (275,800)</b>
Appropriated from:	
Federal revenues:	
DAG, federal.....	(3,200)
Special revenue funds:	
Private funds .....	(174,300)
Shop fees .....	(48,600)
State general fund/general purpose .....	\$ (49,700)
<b>(23) LAW ENFORCEMENT</b>	
General law enforcement.....	\$ (228,300)
<b>GROSS APPROPRIATION</b> .....	<b>\$ (228,300)</b>
Appropriated from:	
Federal revenues:	
DHS, federal.....	(21,100)

Special revenue funds:	
Game and fish protection fund wildlife resource protection fund.....	\$ (204,800)
State general fund/general purpose .....	\$ (2,400)
<b>(24) INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ (45,700)
GROSS APPROPRIATION .....	\$ (45,700)
Appropriated from:	
Special revenue funds:	
Forest development fund .....	(41,200)
State general fund/general purpose .....	\$ (4,500)
 <b>Sec. 114. DEPARTMENT OF STATE</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
GROSS APPROPRIATION .....	\$ (1,046,100)
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	0
ADJUSTED GROSS APPROPRIATION .....	\$ (1,046,100)
Federal revenues:	
Total federal revenues .....	0
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	0
Total other state restricted revenues .....	(871,300)
State general fund/general purpose .....	\$ (174,800)
<b>(2) EXECUTIVE DIRECTION</b>	
Operations .....	\$ (20,100)
GROSS APPROPRIATION .....	\$ (20,100)
Appropriated from:	
Special revenue funds:	
Driver fees .....	(1,000)
Expedient service fees.....	(400)
Personal identification card fees .....	(100)
Reinstatement fees operator licenses .....	(1,000)
Transportation administration collection fund.....	(14,300)
State general fund/general purpose .....	\$ (3,300)
<b>(3) DEPARTMENT SERVICES</b>	
Operations .....	\$ (98,300)
Assigned claims assessments .....	(4,700)
GROSS APPROPRIATION .....	\$ (103,000)
Appropriated from:	
Special revenue funds:	
Assigned claims assessments .....	(4,700)
Driver fees .....	(2,000)
Expedient service fees.....	(1,100)
Personal identification card fees .....	(400)
Reinstatement fees operator licenses .....	(2,400)
Transportation administration collection fund.....	(88,400)
State general fund/general purpose .....	\$ (4,000)
<b>(4) REGULATORY SERVICES</b>	
Operations .....	\$ (136,700)
Motorcycle safety education administration .....	(100)
GROSS APPROPRIATION .....	\$ (136,800)
Appropriated from:	
Special revenue funds:	
Driver fees .....	(12,500)
Expedient service fees.....	(200)
Motorcycle safety fund .....	(100)
Personal identification card fees .....	(300)
Reinstatement fees operator licenses .....	(11,400)

	For Fiscal Year Ending Sept. 30, 2010
Transportation administration collection fund.....	\$ (106,000)
State general fund/general purpose .....	\$ (6,300)
<b>(5) CUSTOMER DELIVERY SERVICES</b>	
Branch operations.....	\$ (471,500)
Central operations.....	(204,400)
GROSS APPROPRIATION .....	\$ (675,900)
Appropriated from:	
Special revenue funds:	
Driver fees.....	(49,200)
Expedient service fees.....	(14,200)
Personal identification card fees.....	(10,300)
Reinstatement fees operator licenses.....	(7,500)
Transportation administration collection fund.....	(529,800)
State general fund/general purpose .....	\$ (64,900)
<b>(6) ELECTION REGULATION</b>	
Election administration and services.....	\$ (26,400)
GROSS APPROPRIATION .....	\$ (26,400)
Appropriated from:	
State general fund/general purpose .....	\$ (26,400)
<b>(7) INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ (83,900)
GROSS APPROPRIATION .....	\$ (83,900)
Appropriated from:	
Special revenue funds:	
Transportation administration collection fund.....	(14,000)
State general fund/general purpose .....	\$ (69,900)
 <b>Sec. 115. DEPARTMENT OF STATE POLICE</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
GROSS APPROPRIATION .....	\$ (2,353,700)
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	(108,800)
ADJUSTED GROSS APPROPRIATION .....	\$ (2,244,900)
Federal revenues:	
Total federal revenues .....	(123,600)
Special revenue funds:	
Total local revenues.....	(42,800)
Total private revenues.....	0
Total other state restricted revenues .....	(460,300)
State general fund/general purpose .....	\$ (1,618,200)
<b>(2) EXECUTIVE DIRECTION</b>	
Executive direction .....	\$ (20,300)
Special operations and events .....	(1,200)
Auto theft prevention program.....	(3,100)
GROSS APPROPRIATION .....	\$ (24,600)
Appropriated from:	
Special revenue funds:	
Auto theft prevention fund.....	(3,100)
State general fund/general purpose .....	\$ (21,500)
<b>(3) SUPPORT SERVICES</b>	
Management services.....	\$ (63,100)
Training administration .....	(14,200)
Budget and financial services.....	(17,600)
Office of justice program grants .....	(4,600)
GROSS APPROPRIATION .....	\$ (99,500)
Appropriated from:	
Federal revenues:	
DOJ interest-bearing .....	(4,600)

	For Fiscal Year Ending Sept. 30, 2010
DOT .....	\$ (1,100)
State general fund/general purpose .....	\$ (93,800)
<b>(4) HIGHWAY SAFETY PLANNING</b>	
State program planning and administration .....	\$ (22,400)
Federal highway traffic safety coordination .....	(100)
GROSS APPROPRIATION .....	\$ (22,500)
Appropriated from:	
Federal revenues:	
DOJ .....	(100)
State general fund/general purpose .....	\$ (22,400)
<b>(5) CRIMINAL JUSTICE INFORMATION CENTER</b>	
Criminal justice information center division .....	\$ (68,700)
Criminal records improvement .....	(900)
Traffic safety .....	(8,300)
GROSS APPROPRIATION .....	\$ (77,900)
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDOT, state trunkline fund .....	(5,700)
Federal revenues:	
DOJ .....	(900)
DOT .....	(1,900)
Special revenue funds:	
Criminal justice information center service fees .....	(60,200)
Motor carrier fees .....	(700)
State general fund/general purpose .....	\$ (8,500)
<b>(6) FORENSIC SCIENCES</b>	
Laboratory operations .....	\$ (216,500)
DNA analysis program .....	(47,800)
GROSS APPROPRIATION .....	\$ (264,300)
Appropriated from:	
Federal revenues:	
DOJ .....	(7,100)
DOT .....	(4,400)
Special revenue funds:	
Forensic science reimbursement fees .....	(45,600)
State general fund/general purpose .....	\$ (207,200)
<b>(7) MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS</b>	
Standards and training/justice training grants .....	\$ (16,400)
Training only to local units .....	(2,100)
Officer's survivor tuition program .....	(100)
Public safety officers benefit program .....	(100)
GROSS APPROPRIATION .....	\$ (18,700)
Appropriated from:	
Federal revenues:	
DOJ .....	(1,300)
Special revenue funds:	
Michigan justice training fund .....	(6,700)
Secondary road patrol and training fund .....	(2,100)
State general fund/general purpose .....	\$ (8,600)
<b>(8) EMERGENCY MANAGEMENT</b>	
Emergency management planning and administration .....	\$ (28,400)
FEMA program assistance .....	(17,200)
Nuclear power plant emergency planning .....	(4,900)
Hazardous materials program .....	(24,100)
Grant for disaster assistance .....	(500)
Grants for disaster assistance .....	134,600
GROSS APPROPRIATION .....	\$ 59,500

Appropriated from:	
Federal revenues:	
DHS.....	\$ (52,300)
DOT.....	(400)
Special revenue funds:	
Nuclear plant emergency planning reimbursement.....	(4,900)
State general fund/general purpose.....	\$ 117,100
<b>(9) POST UNIFORM SERVICES</b>	
Uniform services.....	\$ (326,100)
At-post troopers.....	(920,300)
GROSS APPROPRIATION.....	\$ (1,246,400)
Appropriated from:	
Special revenue funds:	
Highway safety fund.....	(119,400)
Traffic law enforcement and safety fund.....	(183,000)
State general fund/general purpose.....	\$ (944,000)
<b>(10) STATEWIDE FIELD OPERATIONS</b>	
Operational support.....	\$ (43,300)
Aviation program.....	(13,900)
GROSS APPROPRIATION.....	\$ (57,200)
Appropriated from:	
State general fund/general purpose.....	\$ (57,200)
<b>(11) SPECIAL INVESTIGATIONS</b>	
Criminal investigations.....	\$ (240,900)
Federal antidrug initiatives.....	(5,000)
Auto theft prevention.....	(4,500)
Casino gaming oversight.....	(30,100)
Fire investigation.....	(25,700)
GROSS APPROPRIATION.....	\$ (308,200)
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDTR, casino gaming fees.....	(30,100)
State general fund/general purpose.....	\$ (276,100)
<b>(12) TRAFFIC SAFETY</b>	
Motor carrier enforcement.....	\$ (83,000)
Truck safety enforcement team operations.....	(10,000)
Safety inspections.....	(50,100)
School bus inspections.....	(11,100)
Safety projects.....	(10,900)
Traffic services.....	(4,900)
GROSS APPROPRIATION.....	\$ (170,000)
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDOT, state trunkline fund.....	(63,000)
IDT, truck safety fund.....	(10,000)
Federal revenues:	
DOT.....	(49,500)
Special revenue funds:	
Local school bus revenue.....	(11,100)
Motor carrier fees.....	(31,500)
State general fund/general purpose.....	\$ (4,900)
<b>(13) INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ (61,700)
Michigan public safety communications system.....	(64,200)
GROSS APPROPRIATION.....	\$ (125,900)
Appropriated from:	
Special revenue funds:	
Local - LEIN fees.....	(22,400)

For Fiscal Year  
Ending Sept. 30,  
2010

Local MPSCS subscriber fees .....	\$	(9,300)
Motor carrier fees .....		(1,600)
Traffic crash revenue .....		(1,500)
State general fund/general purpose .....	\$	(91,100)

**Sec. 116. DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	(2,734,100)
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		(1,767,400)
ADJUSTED GROSS APPROPRIATION .....	\$	(966,700)
Federal revenues:		
Total federal revenues .....		(159,600)
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues .....		(351,100)
State general fund/general purpose .....	\$	(456,000)

**(2) MANAGEMENT AND BUDGET APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	(1,239,800)
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		(273,100)
ADJUSTED GROSS APPROPRIATION .....	\$	(966,700)
Federal revenues:		
Total federal revenues .....		(159,600)
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues .....		(351,100)
State general fund/general purpose .....	\$	(456,000)

**(3) MANAGEMENT AND BUDGET SERVICES**

Executive operations .....	\$	(10,400)
Administrative services.....		(44,200)
Budget and financial management .....		(139,600)
Office of the state employer .....		(21,200)
Design and construction services .....		(42,400)
Business support services .....		(74,100)
Building operation services.....		(173,600)
Motor vehicle fleet.....		(28,800)
GROSS APPROPRIATION .....	\$	(534,300)

Appropriated from:

Interdepartmental grant revenues:		
IDG from MDOT, comprehensive transportation fund.....		(300)
IDG from MDOT, state aeronautics fund.....		(200)
IDG from MDOT, state trunkline fund.....		(10,300)
IDG from building occupancy and parking charges .....		(187,400)
IDG from motor transport fund.....		(28,800)
IDG from MDCH.....		(2,000)
IDG from MDHS .....		(1,700)
IDG from user fees.....		(42,400)
Federal funds:		
Federal indirect funds .....		(2,100)
Special revenue funds:		
Game and fish protection fund .....		(3,400)
Health management funds.....		(12,600)
Special revenue, internal service, and pension trust funds .....		(85,700)
State building authority revenue.....		(4,100)
State lottery fund .....		(2,900)

	For Fiscal Year Ending Sept. 30, 2010
State services fee fund .....	\$ (1,100)
Waterways fund .....	(900)
State general fund/general purpose .....	\$ (148,400)
<b>(4) SPECIAL PROGRAMS</b>	
Retirement services .....	\$ (107,900)
Office of children's ombudsman.....	(10,500)
GROSS APPROPRIATION .....	\$ (118,400)
Appropriated from:	
Special revenue funds:	
Pension trust funds .....	(107,900)
State general fund/general purpose .....	\$ (10,500)
<b>(5) INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ (133,000)
GROSS APPROPRIATION .....	\$ (133,000)
Appropriated from:	
Special revenue funds:	
Pension trust funds .....	(30,200)
State general fund/general purpose .....	\$ (102,800)
<b>(6) CIVIL SERVICE COMMISSION</b>	
Agency services .....	\$ (96,000)
Executive direction .....	(39,200)
Employee benefits .....	(17,500)
Human resources operations .....	(283,600)
Information technology services and projects.....	(17,800)
GROSS APPROPRIATION .....	\$ (454,100)
Appropriated from:	
Federal funds:	
Federal funds.....	(157,500)
Special revenue funds:	
State restricted funds .....	(84,800)
State sponsored group insurance, flexible spending and COBRA .....	(17,500)
State general fund/general purpose .....	\$ (194,300)
<b>(7) INFORMATION TECHNOLOGY APPROPRIATION SUMMARY</b>	
GROSS APPROPRIATION .....	\$ (1,494,300)
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	(1,494,300)
ADJUSTED GROSS APPROPRIATION .....	\$ 0
Federal revenues:	
Total federal revenues .....	0
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	0
Total other state restricted revenues .....	0
State general fund/general purpose .....	\$ 0
<b>(8) ADMINISTRATION</b>	
Enterprisewide services .....	\$ (102,800)
Health and human services.....	(656,700)
Education services.....	(38,000)
Public protection .....	(236,600)
Resources services .....	(96,000)
Transportation services .....	(101,600)
General services .....	(262,600)
GROSS APPROPRIATION .....	\$ (1,494,300)
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of agriculture .....	(12,900)
IDG from department of attorney general .....	(8,200)
IDG from department of civil rights.....	(4,700)

IDG from civil service commission.....	\$	(17,800)
IDG from department of community health.....		(132,600)
IDG from department of corrections .....		(92,800)
IDG from department of education .....		(38,000)
IDG from department of environmental quality.....		(37,400)
IDG from Michigan gaming control board.....		(7,700)
IDG from department of human services .....		(314,100)
IDG from department of energy, labor, and economic growth.....		(210,000)
IDG from bureau of state lottery .....		(24,500)
IDG from department of management and budget.....		(133,000)
IDG from department of military and veterans affairs.....		(5,000)
IDG from department of natural resources.....		(45,700)
IDG from department of state .....		(83,900)
IDG from department of state police.....		(125,900)
IDG from department of transportation .....		(101,600)
IDG from department of treasury.....		(98,500)
State general fund/general purpose .....	\$	0

**Sec. 117. STATE TRANSPORTATION DEPARTMENT**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	(2,695,600)
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	(2,695,600)
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues .....		(2,695,600)
State general fund/general purpose .....	\$	0

**(2) EXECUTIVE DIRECTION**

Unclassified salaries.....	\$	(5,800)
Commission audit.....		(26,900)
GROSS APPROPRIATION .....	\$	(32,700)
Appropriated from:		
Special revenue funds:		
State trunkline fund.....		(32,700)
State general fund/general purpose .....	\$	0

**(3) BUSINESS SUPPORT**

Business support services .....	\$	(43,800)
Economic development and enhancement programs .....		(9,400)
GROSS APPROPRIATION .....	\$	(53,200)
Appropriated from:		
Special revenue funds:		
State trunkline fund.....		(53,200)
State general fund/general purpose .....	\$	0

**(4) INFORMATION TECHNOLOGY**

Information technology services and projects.....	\$	(101,600)
GROSS APPROPRIATION .....	\$	(101,600)
Appropriated from:		
Special revenue funds:		
State trunkline fund.....		(101,600)
State general fund/general purpose .....	\$	0

**(5) FINANCE, CONTRACTS, AND SUPPORT SERVICES**

Financial operations .....	\$	(65,900)
Contract services.....		(37,700)
Department services.....		(35,800)
Performance excellence .....		(9,700)

Welcome center operations .....	\$ (31,800)
<b>GROSS APPROPRIATION</b> .....	<b>\$ (180,900)</b>
Appropriated from:	
Special revenue funds:	
State trunkline fund .....	(180,900)
State general fund/general purpose .....	\$ 0
<b>(6) TRANSPORTATION PLANNING</b>	
Statewide planning services .....	\$ (111,700)
Data collection services .....	(46,600)
Specialized planning services and local studies.....	(2,000)
<b>GROSS APPROPRIATION</b> .....	<b>\$ (160,300)</b>
Appropriated from:	
Special revenue funds:	
State trunkline fund .....	(160,300)
State general fund/general purpose .....	\$ 0
<b>(7) DESIGN AND ENGINEERING SERVICES</b>	
Engineering services.....	\$ (662,800)
Program services.....	(625,200)
Intelligent transportation systems operations .....	(5,400)
<b>GROSS APPROPRIATION</b> .....	<b>\$ (1,293,400)</b>
Appropriated from:	
Special revenue funds:	
State trunkline fund .....	(1,293,400)
State general fund/general purpose .....	\$ 0
<b>(8) HIGHWAY MAINTENANCE</b>	
State trunkline operations .....	\$ (722,100)
<b>GROSS APPROPRIATION</b> .....	<b>\$ (722,100)</b>
Appropriated from:	
Special revenue funds:	
State trunkline fund .....	(722,100)
State general fund/general purpose .....	\$ 0
<b>(9) BLUE WATER BRIDGE</b>	
Blue Water Bridge operations.....	\$ (37,200)
<b>GROSS APPROPRIATION</b> .....	<b>\$ (37,200)</b>
Appropriated from:	
Special revenue funds:	
Blue Water Bridge fund .....	(37,200)
State general fund/general purpose .....	\$ 0
<b>(10) AERONAUTICS AND FREIGHT SERVICES</b>	
Airport improvement services .....	\$ (22,100)
Aviation services.....	(16,700)
Freight and safety services .....	(34,500)
<b>GROSS APPROPRIATION</b> .....	<b>\$ (73,300)</b>
Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund .....	(10,100)
Michigan transportation fund .....	(24,400)
State aeronautics fund.....	(38,800)
State general fund/general purpose .....	\$ 0
<b>(11) PUBLIC TRANSPORTATION SERVICES</b>	
Passenger transportation services .....	\$ (40,900)
<b>GROSS APPROPRIATION</b> .....	<b>\$ (40,900)</b>
Appropriated from:	
Special revenue funds:	
Comprehensive transportation fund .....	(39,300)
Michigan transportation fund .....	(1,600)
State general fund/general purpose .....	\$ 0

**Sec. 118. DEPARTMENT OF TREASURY**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$ (1,565,600)
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	(54,300)
ADJUSTED GROSS APPROPRIATION .....	\$ (1,511,300)
Federal revenues:	
Total federal revenues .....	(87,000)
Special revenue funds:	
Total local revenues.....	(4,500)
Total private revenues .....	0
Total other state restricted revenues .....	(1,127,000)
State general fund/general purpose .....	\$ (292,800)

**(2) EXECUTIVE DIRECTION**

Unclassified positions.....	\$ (7,700)
Office of the director .....	(4,100)
GROSS APPROPRIATION .....	\$ (11,800)
Appropriated from:	
Special revenue funds:	
State lottery fund .....	(1,700)
State services fee fund .....	(1,100)
State general fund/general purpose .....	\$ (9,000)

**(3) LOCAL GOVERNMENT PROGRAMS**

Supervision of the general property tax law.....	\$ (42,100)
Property tax assessor training.....	(600)
Local finance.....	(18,100)
GROSS APPROPRIATION .....	\$ (60,800)
Appropriated from:	
Special revenue funds:	
Local - assessor training fees .....	(600)
Local - audit charges .....	(3,900)
Delinquent tax collection revenue .....	(3,500)
Land reutilization fund .....	(3,000)
Municipal finance fees.....	(4,700)
State general fund/general purpose .....	\$ (45,100)

**(4) TAX PROGRAMS**

Customer contact.....	\$ (95,200)
Tax compliance .....	(290,800)
Tax and economic policy .....	(66,500)
Tax processing.....	(106,000)
Home heating assistance .....	(3,800)
Tobacco tax collection .....	(2,400)
Michigan business tax implementation.....	(12,400)
GROSS APPROPRIATION .....	\$ (577,100)

Appropriated from:

Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund .....	(31,700)
Federal revenues:	
HHS-SSA, low-income energy assistance.....	(3,800)
Special revenue funds:	
Delinquent tax collection revenue .....	(497,200)
Tobacco tax collection and enforcement .....	(2,400)
Tobacco tax revenue.....	(3,000)
State general fund/general purpose .....	\$ (39,000)

**(5) BANKING AND MANAGEMENT SERVICES**

Program management.....	\$ (5,900)
Departmental and budget services.....	(11,900)

	For Fiscal Year Ending Sept. 30, 2010
Mail operations.....	\$ (13,800)
Unclaimed property .....	(13,400)
Collections.....	(127,000)
Finance and accounting .....	(15,200)
Receipts processing.....	(25,400)
GROSS APPROPRIATION .....	\$ (212,600)
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDHS, title IV-D.....	(4,100)
IDG, state agency collection fees.....	(18,100)
Special revenue funds:	
Delinquent tax collection revenue .....	(132,900)
Escheats revenue.....	(13,400)
Garnishment fees .....	(9,000)
Justice system fund.....	(2,400)
State general fund/general purpose .....	\$ (32,700)
<b>(6) FINANCIAL PROGRAMS</b>	
Investments .....	\$ (85,900)
Michigan merit award administration.....	(7,600)
Common cash and debt management.....	(11,700)
Public private partnership investment.....	(1,800)
Student financial assistance programs.....	(74,800)
GROSS APPROPRIATION .....	\$ (181,800)
Appropriated from:	
Interdepartmental grant revenues:	
IDG, fiscal agent service fees.....	(400)
Federal revenues:	
DED-OPSE, federal lenders allowance .....	(20,800)
DED-OPSE, higher education act of 1965, insured loans .....	(45,300)
Special revenue funds:	
Michigan merit award trust fund.....	(9,200)
Public private partnership investment fund.....	(1,800)
Retirement funds.....	(79,100)
School bond fees.....	(6,100)
Treasury fees.....	(8,100)
State general fund/general purpose .....	\$ (11,000)
<b>(7) STATE LOTTERY</b>	
Lottery operations.....	\$ (152,000)
Lottery information technology services and projects.....	(24,500)
GROSS APPROPRIATION .....	\$ (176,500)
Appropriated from:	
Special revenue funds:	
State lottery fund .....	(176,500)
State general fund/general purpose .....	\$ 0
<b>(8) CASINO GAMING</b>	
Casino gaming control administration .....	\$ (94,400)
Casino gaming information technology services and projects.....	(7,700)
GROSS APPROPRIATION .....	\$ (102,100)
Appropriated from:	
Special revenue funds:	
State services fee fund .....	(102,100)
State general fund/general purpose .....	\$ 0
<b>(9) MICHIGAN STRATEGIC FUND</b>	
Administration .....	\$ (23,500)
Job creation services.....	(119,300)
Michigan film office .....	(1,600)
GROSS APPROPRIATION .....	\$ (144,400)

Appropriated from:	
Federal revenues:	
HUD-CPD, community development block grant.....	\$ (17,100)
State general fund/general purpose .....	\$ (127,300)
<b>(10) INFORMATION TECHNOLOGY</b>	
Treasury operations information technology services and projects.....	\$ (98,500)
<b>GROSS APPROPRIATION .....</b>	<b>\$ (98,500)</b>
Appropriated from:	
Special revenue funds:	
Delinquent tax collection revenue .....	(66,300)
Retirement funds.....	(2,000)
Michigan merit award trust fund.....	(1,500)
State general fund/general purpose .....	\$ (28,700)

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this appropriation act for the fiscal year ending September 30, 2010 is \$(32,612,500.00) and state appropriations paid to local units of government are \$0.

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

Sec. 203. The line-item appropriations in part 1 financed by federal funds designated as ARRA funding represent federal funds associated with the American recovery and reinvestment act of 2009, Public Law 111-5. These federal funds are temporary in nature. It is the intent of the legislature that when these temporary federal funds are fully expended, the program funding levels and any state employees supported by these temporary federal funds will not be continued.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount equal to any additional federal funding awarded to this state through recalculation of formulas and under the redistribution provisions of the American recovery and reinvestment act of 2009, Public Law 111-5.

(2) Within 30 days of receiving such an award, a department shall report to the senate and house appropriations subcommittees, senate and house fiscal agencies, state budget director, and the governor on the amount of funds received and the purposes for which they will be spent.

Sec. 211. The unexpended funds from appropriations in part 1 designated as ARRA funding and in section 210 and any unencumbered or unallotted funds from those appropriations are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purposes of the projects to be carried forward are to protect and invest in the natural resources, infrastructure, and people of the state of Michigan in accordance with the provisions of the American recovery and reinvestment act of 2009, Public Law 111-5.

(b) The projects will be accomplished by state employees and by contract.

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

(d) The tentative completion date is September 30, 2013.

Sec. 212. (1) In a form and manner determined by the recipient department, local governments and other eligible subrecipients receiving funds through this act shall comply with all requirements corresponding to the receipt of funds, including, but not limited to, any certifications, assurances, and accountability and transparency provisions required in the American recovery and reinvestment act of 2009, Public Law 111-5.

(2) Funds appropriated in part 1 may be transferred to subrecipient state departments or agencies in an interdepartmental grant consistent with the requirements of the American recovery and reinvestment act of 2009, Public Law 111-5.

**DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH**

Sec. 213. The department shall not expend worker retraining funds appropriated under part 1 without first verifying the eligibility of the recipient as required by federal law.

**DEPARTMENT OF HUMAN SERVICES**

Sec. 301. The department shall cancel lease number 2773 located at 14000 Schoolcraft Avenue, Detroit, Michigan, upon at least 90 days' prior written notice to the lessor.

**DEPARTMENT OF COMMUNITY HEALTH**

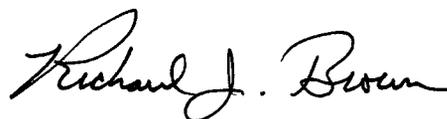
Sec. 501. (1) The department of community health shall hire an independent contractor to immediately implement internal controls and implement corrective actions related to the findings of the state of Michigan auditor general's financial audit of the department for the period October 1, 2007 through September 30, 2009.

(2) An amount of \$5,000,000.00 general fund/general purpose shall be identified within the departmental administration and management appropriation line to pay for these contractual services.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved .....

.....  
Governor



Act No. 158  
Public Acts of 2010  
Approved by the Governor  
September 9, 2010  
Filed with the Secretary of State  
September 9, 2010  
EFFECTIVE DATE: September 9, 2010

**STATE OF MICHIGAN  
95TH LEGISLATURE  
REGULAR SESSION OF 2010**

Introduced by Rep. Cushingberry

**ENROLLED HOUSE BILL No. 6086**

AN ACT to make, supplement, and adjust appropriations for various state departments and agencies and for community colleges for the fiscal year ending September 30, 2010; and to provide for the expenditure of the appropriations.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2010, from the following funds:

**APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	395,612,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	395,612,100
Federal revenues:		
Total other federal revenues.....		271,485,000
Total federal revenues (ARRA).....		49,167,900
Special revenue funds:		
Total local revenues.....		59,500
Total private revenues.....		5,000,000
Total other state restricted revenues .....		257,429,700
State general fund/general purpose .....	\$	(187,530,000)

**Sec. 102. COMMUNITY COLLEGES**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	0
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	0
Federal revenues:		
Total other federal revenues.....		0
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues .....		208,400,000
State general fund/general purpose .....	\$	(208,400,000)

**(2) OPERATIONS**

Alpena Community College .....	\$	0
Bay de Noc Community College.....		0
Delta College .....		0
Glen Oaks Community College .....		0
Gogebic Community College.....		0
Grand Rapids Community College.....		0
Henry Ford Community College.....		0
Jackson Community College.....		0
Kalamazoo Valley Community College.....		0
Kellogg Community College.....		0
Kirtland Community College.....		0
Lake Michigan College .....		0
Lansing Community College .....		0
Macomb Community College.....		0
Mid Michigan Community College .....		0
Monroe County Community College.....		0
Montcalm Community College .....		0
C.S. Mott Community College.....		0
Muskegon Community College.....		0
North Central Michigan College.....		0
Northwestern Michigan College .....		0
Oakland Community College .....		0
St. Clair County Community College .....		0
Schoolcraft College.....		0
Southwestern Michigan College.....		0
Washtenaw Community College .....		0
Wayne County Community College .....		0
West Shore Community College .....		0
GROSS APPROPRIATION .....	\$	0
Appropriated from:		
Special revenue funds:		
State school aid fund .....		208,400,000
State general fund/general purpose .....	\$	(208,400,000)

**Sec. 103. DEPARTMENT OF COMMUNITY HEALTH**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	358,254,900
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	358,254,900
Federal revenues:		
Total other federal revenues.....		261,078,600
Total federal revenues (ARRA).....		44,487,100

Special revenue funds:	
Total local revenues .....	\$ 59,500
Total private revenues .....	5,000,000
Total other state restricted revenues .....	47,629,700
State general fund/general purpose .....	\$ 0
<b>(2) COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS</b>	
Medicaid mental health services .....	\$ 9,224,200
Medicaid substance abuse services .....	652,700
GROSS APPROPRIATION .....	\$ 9,876,900
Appropriated from:	
Federal revenues:	
Total other federal revenues .....	6,241,200
Federal FMAP stimulus (ARRA) .....	995,600
State general fund/general purpose .....	\$ 2,640,100
<b>(3) INFECTIOUS DISEASE CONTROL</b>	
AIDS prevention, testing, and care programs .....	\$ 5,000,000
GROSS APPROPRIATION .....	\$ 5,000,000
Appropriated from:	
Special revenue funds:	
Total private revenues .....	5,000,000
State general fund/general purpose .....	\$ 0
<b>(4) CHILDREN'S SPECIAL HEALTH CARE SERVICES</b>	
Medical care and treatment .....	\$ 11,468,100
GROSS APPROPRIATION .....	\$ 11,468,100
Appropriated from:	
Federal revenues:	
Total other federal revenues .....	(6,621,400)
Federal FMAP stimulus (ARRA) .....	567,300
State general fund/general purpose .....	\$ 17,522,200
<b>(5) MEDICAL SERVICES</b>	
Hospital services and therapy .....	\$ (12,054,600)
Physician services .....	(33,921,700)
Medicare premium payments .....	3,306,400
Pharmaceutical services .....	1,518,700
Home health services .....	494,900
Hospice services .....	846,300
Transportation .....	(1,000,000)
Auxiliary medical services .....	(2,759,500)
Dental services .....	(1,625,300)
Ambulance services .....	(1,131,900)
Long-term care services .....	(6,838,800)
Medicaid home- and community-based services waiver .....	9,803,700
Adult home help services .....	6,734,900
Personal care services .....	(4,963,400)
Program of all-inclusive care for the elderly .....	2,479,200
Health plan services .....	397,116,800
MIChild program .....	884,800
Federal Medicare pharmaceutical program .....	(71,890,700)
Subtotal basic medical services program .....	286,999,800
School-based services .....	43,469,600
Special Medicaid reimbursement .....	1,440,500
Subtotal special medical services payments .....	44,910,100
GROSS APPROPRIATION .....	\$ 331,909,900
Appropriated from:	
Federal revenues:	
Total other federal revenues .....	261,458,800
Federal FMAP stimulus (ARRA) .....	42,924,200

Special revenue funds:	
Total local revenues .....	\$ 59,500
Total other state restricted revenues .....	47,629,700
State general fund/general purpose .....	\$ (20,162,300)

**Sec. 104. DEPARTMENT OF CORRECTIONS**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$ 27,270,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	0
ADJUSTED GROSS APPROPRIATION .....	\$ 27,270,000
Federal revenues:	
Total federal revenues .....	0
Special revenue funds:	
Total local revenues .....	0
Total private revenues .....	0
Total other state restricted revenues .....	(1,100,000)
State general fund/general purpose .....	\$ 28,370,000

**(2) OPERATIONS SUPPORT ADMINISTRATION**

Worker's compensation .....	\$ 2,500,000
GROSS APPROPRIATION .....	\$ 2,500,000
Appropriated from:	
State general fund/general purpose .....	\$ 2,500,000

**(3) FIELD OPERATIONS ADMINISTRATION**

Field operations .....	\$ 0
GROSS APPROPRIATION .....	\$ 0
Appropriated from:	
Special revenue funds:	

Parole and probation oversight fees .....	(2,300,000)
Parole and probation oversight fees set-aside .....	2,900,000
Tether program participant contributions .....	(1,700,000)
State general fund/general purpose .....	\$ 1,100,000

**(4) CORRECTIONAL FACILITIES ADMINISTRATION**

Inmate housing fund .....	\$ 12,570,000
GROSS APPROPRIATION .....	\$ 12,570,000
Appropriated from:	
State general fund/general purpose .....	\$ 12,570,000

**(5) NORTHERN REGION CORRECTIONAL FACILITIES**

Standish maximum correctional facility - Standish .....	\$ 4,100,000
GROSS APPROPRIATION .....	\$ 4,100,000
Appropriated from:	
State general fund/general purpose .....	\$ 4,100,000

**(6) SOUTHWESTERN REGION CORRECTIONAL FACILITIES**

Muskegon correctional facility - Muskegon .....	\$ 8,100,000
GROSS APPROPRIATION .....	\$ 8,100,000
Appropriated from:	
State general fund/general purpose .....	\$ 8,100,000

**Sec. 105. DEPARTMENT OF HUMAN SERVICES**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$ 15,045,200
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	0
ADJUSTED GROSS APPROPRIATION .....	\$ 15,045,200
Federal revenues:	
Total federal revenues .....	(62,528,000)
Special revenue funds:	
Total local revenues .....	0

	For Fiscal Year Ending Sept. 30, 2010
Total private revenues .....	\$ 0
Total other state restricted revenues .....	30,100,000
State general fund/general purpose .....	\$ 47,473,200
<b>(2) EXECUTIVE OPERATIONS</b>	
Contractual services, supplies, and materials .....	\$ 7,013,500
GROSS APPROPRIATION .....	\$ 7,013,500
Appropriated from:	
Federal revenues:	
Federal supplemental nutrition assistance revenues (ARRA) .....	(4,082,200)
Food assistance administration (ARRA).....	7,394,000
Total federal revenues .....	2,480,000
State general fund/general purpose .....	\$ 1,221,700
<b>(3) LOCAL OFFICE STAFF AND OPERATIONS</b>	
Field staff, salaries and wages .....	\$ 0
GROSS APPROPRIATION .....	\$ 0
Appropriated from:	
Federal revenues:	
Total other federal revenues.....	3,591,000
State general fund/general purpose .....	\$ (3,591,000)
<b>(4) CENTRAL SUPPORT ACCOUNTS</b>	
Rent.....	\$ 8,031,700
Payroll taxes and fringe benefits.....	0
GROSS APPROPRIATION .....	\$ 8,031,700
Appropriated from:	
Federal revenues:	
Federal - emergency TANF contingency revenues (ARRA).....	1,327,000
Total other federal revenues.....	4,073,000
State general fund/general purpose .....	\$ 2,631,700
<b>(5) PUBLIC ASSISTANCE</b>	
Family independence program.....	\$ 0
GROSS APPROPRIATION .....	\$ 0
Appropriated from:	
Federal revenues:	
Total federal revenues .....	(77,310,800)
Special revenue funds:	
Michigan merit award trust fund.....	30,100,000
State general fund/general purpose .....	\$ 47,210,800
 <b>Sec. 106. DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENT</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
GROSS APPROPRIATION .....	\$ 542,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	0
ADJUSTED GROSS APPROPRIATION .....	\$ 542,000
Federal revenues:	
Total federal revenues .....	42,000
Special revenue funds:	
Total local revenues.....	0
Total private revenues .....	0
Total other state restricted revenues .....	0
State general fund/general purpose .....	\$ 500,000
<b>(2) FOREST, MINERAL, AND FIRE MANAGEMENT</b>	
Wildfire protection.....	\$ 500,000
GROSS APPROPRIATION .....	\$ 500,000
Appropriated from:	
State general fund/general purpose .....	\$ 500,000
<b>(3) AMERICAN RECOVERY AND REINVESTMENT ACT</b>	
Engineering services to USDA (ARRA) .....	\$ 42,000
GROSS APPROPRIATION .....	\$ 42,000

Appropriated from:	
Federal revenues:	
DAG, federal (ARRA) .....	\$ 42,000
State general fund/general purpose .....	\$ 0

**Sec. 107. DEPARTMENT OF STATE POLICE**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$ 2,500,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	0
ADJUSTED GROSS APPROPRIATION .....	\$ 2,500,000
Federal revenues:	
Total federal revenues .....	0
Special revenue funds:	
Total local revenues.....	0
Total private revenues .....	0
Total other state restricted revenues .....	2,500,000
State general fund/general purpose .....	\$ 0

**(2) FORENSIC SCIENCES**

Laboratory operations .....	\$ 2,500,000
GROSS APPROPRIATION .....	\$ 2,500,000
Appropriated from:	
Special revenue funds:	
State services fee fund .....	2,500,000
State general fund/general purpose .....	\$ 0

**Sec. 108. DEPARTMENT OF TREASURY**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$ (8,000,000)
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	0
ADJUSTED GROSS APPROPRIATION .....	\$ (8,000,000)
Federal revenues:	
Total federal revenues .....	0
Special revenue funds:	
Total local revenues.....	0
Total private revenues .....	0
Total other state restricted revenues .....	0
State general fund/general purpose .....	\$ (8,000,000)

**(2) GRANTS**

Senior citizen cooperative housing exemption program.....	\$ (8,000,000)
GROSS APPROPRIATION .....	\$ (8,000,000)
Appropriated from:	
State general fund/general purpose .....	\$ (8,000,000)

**Sec. 109. HIGHER EDUCATION**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$ 0
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	0
ADJUSTED GROSS APPROPRIATION .....	\$ 0
Federal revenues:	
Total federal revenues .....	77,573,200
Special revenue funds:	
Total local revenues.....	0
Total private revenues .....	0
Total other state restricted revenues .....	(30,100,000)
State general fund/general purpose .....	\$ (47,473,200)

**(2) GRANTS AND FINANCIAL AID**

State competitive scholarships.....	\$	0
Tuition grants .....		0
Tuition incentive program.....		0
<b>GROSS APPROPRIATION</b> .....	<b>\$</b>	<b>0</b>
Appropriated from:		
Federal revenues:		
Higher education act of 1965, title IV, 20 USC.....		(1,292,400)
Temporary assistance for needy families .....		78,865,600
Special revenue funds:		
Michigan merit award trust fund.....		(30,100,000)
State general fund/general purpose .....	<b>\$</b>	<b>(47,473,200)</b>

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this appropriation act for the fiscal year ending September 30, 2010 is \$69,899,700.00 and state appropriations paid to local units of government are \$0.

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

Sec. 203. (1) In addition to the funds appropriated in part 1, there is appropriated an amount equal to any additional federal funding awarded to this state through recalculation of formulas and under the redistribution provisions of the American recovery and reinvestment act of 2009, Public Law 111-5.

(2) Within 30 days of receiving such an award, a department shall report to the senate and house appropriations subcommittees, senate and house fiscal agencies, state budget director, and the governor on the amount of funds received and the purposes for which they will be spent.

Sec. 204. The unexpended funds from appropriations in part 1 designated as ARRA funding and in section 210 and any unencumbered or unallotted funds from those appropriations are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purposes of the projects to be carried forward are to protect and invest in the natural resources, infrastructure, and people of the state of Michigan in accordance with the provisions of the American recovery and reinvestment act of 2009, Public Law 111-5.

(b) The projects will be accomplished by state employees and by contract.

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

(d) The tentative completion date is September 30, 2013.

Sec. 205. (1) In a form and manner determined by the recipient department, local governments and other eligible subrecipients receiving funds through this act shall comply with all requirements corresponding to the receipt of funds, including, but not limited to, any certifications, assurances, and accountability and transparency provisions required in the American recovery and reinvestment act of 2009, Public Law 111-5.

(2) Funds appropriated in part 1 may be transferred to subrecipient state departments or agencies in an interdepartmental grant consistent with the requirements of the American recovery and reinvestment act of 2009, Public Law 111-5.

**COMMUNITY COLLEGES**

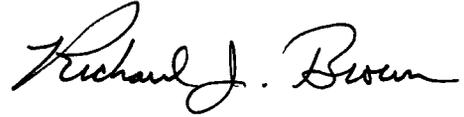
Sec. 301. It is the intent of the legislature that the state school aid fund revenues appropriated under part 1 for community colleges for the fiscal year ending September 30, 2010 shall be considered a loan from the state school aid fund to the state general fund and shall be repaid from the state general fund to the state school aid fund over a period of 5 fiscal years beginning in the fiscal year ending September 30, 2012.

**DEPARTMENT OF CORRECTIONS**

Sec. 401. (1) The inmate housing fund shall be used for the custody, treatment, clinical, and administrative costs associated with the housing of prisoners other than those specifically budgeted in this or other appropriation acts. Funding in the inmate housing fund is appropriated into a separate control account. Funding in the control account shall be distributed as necessary into separate accounts created to separately identify costs for specific purposes.

(2) Quarterly reports on all expenditures from the inmate housing fund shall be submitted by the department of corrections to the state budget director, the senate and house appropriations subcommittees on corrections, and the senate and house fiscal agencies.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor

Act No. 193  
 Public Acts of 2010  
 Approved by the Governor  
 September 30, 2010  
 Filed with the Secretary of State  
 September 30, 2010  
 EFFECTIVE DATE: September 30, 2010

**STATE OF MICHIGAN  
 95TH LEGISLATURE  
 REGULAR SESSION OF 2010**

Introduced by Rep. Cushingberry

# ENROLLED HOUSE BILL No. 5409

AN ACT to make, supplement, and adjust appropriations for various state departments and agencies, the legislative branch, the judicial branch, and community colleges for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2010, from the following funds:

**APPROPRIATION SUMMARY**

Full-time equated classified positions.....17.0		
GROSS APPROPRIATION .....	\$	85,649,000
Total interdepartmental grants and intradepartmental transfers.....		200,000
ADJUSTED GROSS APPROPRIATION .....	\$	85,449,000
Total federal revenues .....		68,788,800
Total local revenues.....		(771,900)
Total private revenues.....		0
Total other state restricted revenues .....		152,623,600
State general fund/general purpose .....	\$	(135,191,500)

**Sec. 102. DEPARTMENT OF COMMUNITY HEALTH**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	79,489,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	79,489,200
Federal revenues:		
Total other federal revenues.....		51,292,700
Federal FMAP stimulus (ARRA) .....		10,231,000

Special revenue funds:		
Total local revenues .....	\$	0
Total private revenues .....		0
Merit award trust fund .....		101,813,300
Total other state restricted revenues .....		39,930,300
State general fund/general purpose .....	\$	(123,778,100)
<b>(2) COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAM</b>		
Community mental health non-Medicaid services .....	\$	0
Medicaid adult benefits waiver .....		0
Multicultural services .....		400,000
GROSS APPROPRIATION .....	\$	400,000
Appropriated from:		
Federal revenues:		
Total federal revenues .....		(475,900)
Special revenue funds:		
Total other state restricted revenues .....		475,900
State general fund/general purpose .....	\$	400,000
<b>(3) MEDICAL SERVICES</b>		
Hospital services and therapy .....	\$	16,650,000
Long-term care services .....		43,035,200
Health plan services .....		41,813,300
Medicaid adult benefits waiver .....		0
Federal Medicare pharmaceutical program .....		(22,409,300)
Subtotal basic medical services program .....		79,089,200
GROSS APPROPRIATION .....	\$	79,089,200
Appropriated from:		
Federal revenues:		
Total federal revenues .....		51,768,600
Federal FMAP stimulus (ARRA) .....		10,231,000
Special revenue funds:		
Merit award trust fund .....		101,813,300
Total other state restricted revenues .....		39,454,100
State general fund/general purpose .....	\$	(124,178,100)
 <b>Sec. 103. DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH</b>		
<b>(1) APPROPRIATION SUMMARY</b>		
Full-time equated classified positions .....	4.0	
GROSS APPROPRIATION .....	\$	480,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		0
ADJUSTED GROSS APPROPRIATION .....	\$	480,000
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues .....		0
Total private revenues .....		0
Total other state restricted revenues .....		480,000
State general fund/general purpose .....	\$	0
<b>(2) PUBLIC SERVICES COMMISSION AND ENERGY SYSTEMS</b>		
Full-time equated classified positions .....	4.0	
Public service commission—4.0 FTE positions .....	\$	440,000
GROSS APPROPRIATION .....	\$	440,000
Appropriated from:		
Special revenue funds:		
Restructuring mechanism assessments .....		440,000
State general fund/general purpose .....	\$	0
<b>(3) OCCUPATIONAL REGULATION</b>		
Bureau of fire services .....	\$	40,000
GROSS APPROPRIATION .....	\$	40,000

Appropriated from:	
Special revenue funds:	
Fire safety standard enforcement fund.....	\$ 40,000
State general fund/general purpose .....	\$ 0

**Sec. 104. DEPARTMENT OF HUMAN SERVICES**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$ 3,960,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	0
ADJUSTED GROSS APPROPRIATION .....	\$ 3,960,000
Federal revenues:	
Federal - emergency TANF contingency revenues (ARRA).....	41,541,600
Child care and development block grant (ARRA) .....	1,960,600
Total federal revenues .....	(42,066,100)
Special revenue funds:	
Total local revenues.....	(771,900)
Total private revenues .....	0
Total other state restricted revenues .....	3,400,000
State general fund/general purpose .....	\$ (103,600)

**(2) EXECUTIVE OPERATIONS**

Demonstration projects .....	\$ 2,000,000
GROSS APPROPRIATION .....	\$ 2,000,000
Appropriated from:	
State general fund/general purpose .....	\$ 2,000,000

**(3) CHILDREN'S SERVICES**

ECIC, early childhood investment corporation .....	\$ 1,960,600
GROSS APPROPRIATION .....	\$ 1,960,600
Appropriated from:	
Federal revenues:	
Child care and development block grant (ARRA) .....	1,960,600
State general fund/general purpose .....	\$ 0

**(4) JUVENILE JUSTICE SERVICES**

W.J. Maxey training school .....	\$ 0
Bay Pines center .....	0
Shawono center .....	0
Juvenile justice, administration and maintenance.....	0
GROSS APPROPRIATION .....	\$ 0

Appropriated from:	
Special revenue funds:	
Local funds - state share education funds.....	(771,900)
State general fund/general purpose .....	\$ 771,900

**(5) PUBLIC ASSISTANCE**

Family independence program.....	\$ 0
Family independence program supplement.....	0
GROSS APPROPRIATION .....	\$ 0

Appropriated from:	
Federal revenues:	
Federal - emergency TANF contingency revenues (ARRA).....	41,541,600
Total federal revenues .....	(42,066,100)
Special revenue funds:	
Public assistance recoupment revenue .....	3,400,000
State general fund/general purpose .....	\$ (2,875,500)

**Sec. 105. JUDICIARY**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$ 450,000
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Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	\$ 200,000
<b>ADJUSTED GROSS APPROPRIATION</b> .....	<b>\$ 250,000</b>
Federal revenues:	
Total federal revenues .....	250,000
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	0
Total other state restricted revenues .....	0
State general fund/general purpose .....	\$ 0

**(2) SUPREME COURT**

Drug treatment courts.....	\$ 200,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 200,000</b>

Appropriated from:

Interdepartmental grant revenues:	
IDG from state police .....	200,000
State general fund/general purpose .....	\$ 0

**(3) INDIGENT DEFENSE - CRIMINAL**

Appellate public defender program.....	\$ 250,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 250,000</b>

Appropriated from:

Federal revenues:	
Other federal grant revenues.....	250,000
State general fund/general purpose .....	\$ 0

**Sec. 106. LEGISLATURE**

**(1) APPROPRIATION SUMMARY**

<b>GROSS APPROPRIATION</b> .....	<b>\$ 878,000</b>
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Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers.....	0
<b>ADJUSTED GROSS APPROPRIATION</b> .....	<b>\$ 878,000</b>

Federal revenues:

Total federal revenues .....	0
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Special revenue funds:

Total local revenues.....	0
Total private revenues.....	0
Total other state restricted revenues .....	0
State general fund/general purpose .....	\$ 878,000

**(2) LEGISLATURE**

Senate census tracking/reapportionment.....	\$ 439,000
House of representatives census tracking/reapportionment .....	439,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 878,000</b>

Appropriated from:

State general fund/general purpose .....	\$ 878,000
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**Sec. 107. DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENT**

**(1) APPROPRIATION SUMMARY**

<b>GROSS APPROPRIATION</b> .....	<b>\$ 3,300,000</b>
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Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers.....	0
<b>ADJUSTED GROSS APPROPRIATION</b> .....	<b>\$ 3,300,000</b>

Federal revenues:

Total federal revenues .....	0
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Special revenue funds:

Total local revenues.....	0
Total private revenues.....	0
Total other state restricted revenues .....	3,300,000
State general fund/general purpose .....	\$ 0

**(2) MICHIGAN HISTORICAL PROGRAM**

Historical administration and services .....	\$	300,000
GROSS APPROPRIATION .....	\$	300,000
Appropriated from:		
Special revenue funds:		
Historical marker fund .....		150,000
History fees fund .....		150,000
State general fund/general purpose .....	\$	0

**(3) WATER DIVISION**

Nonpoint source pollution prevention and control project program.....	\$	3,000,000
GROSS APPROPRIATION .....	\$	3,000,000
Appropriated from:		
Special revenue funds:		
Clean Michigan initiative - nonpoint source .....		3,000,000
State general fund/general purpose .....	\$	0

**Sec. 108. DEPARTMENT OF STATE**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	5,872,700
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	5,872,700
Federal revenues:		
Total federal revenues .....		5,579,000
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	293,700

**(2) ELECTION REGULATION**

Help America vote act .....	\$	5,872,700
GROSS APPROPRIATION .....	\$	5,872,700
Appropriated from:		
Federal revenues:		
Total federal revenues .....		5,579,000
State general fund/general purpose .....	\$	293,700

**Sec. 109. DEPARTMENT OF TREASURY**

**(1) APPROPRIATION SUMMARY**

Full-time equated classified positions.....13.0		
GROSS APPROPRIATION .....	\$	(8,781,500)
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	(8,781,500)
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues .....		3,700,000
State general fund/general purpose .....	\$	(12,481,500)

**(2) TAX PROGRAMS**

Full-time equated classified positions.....13.0		
Tax compliance—9.0 FTE positions .....	\$	500,000
Tax processing—4.0 FTE positions.....		200,000
GROSS APPROPRIATION .....	\$	700,000

Appropriated from:	
Special revenue funds:	
Delinquent tax collection revenue .....	\$ 700,000
State general fund/general purpose .....	\$ 0
<b>(3) DEBT SERVICE</b>	
Great Lakes water quality bond .....	\$ (12,481,500)
GROSS APPROPRIATION .....	\$ (12,481,500)
Appropriated from:	
State general fund/general purpose .....	\$ (12,481,500)
<b>(4) LOCAL GOVERNMENT PROGRAMS</b>	
Supervision of general property tax law .....	\$ 3,000,000
GROSS APPROPRIATION .....	\$ 3,000,000
Appropriated from:	
Special revenue funds:	
Delinquent tax collection revenue .....	3,000,000
State general fund/general purpose .....	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this appropriation act for the fiscal year ending September 30, 2010 is \$17,432,100.00 and state appropriations paid to local units of government are \$0.

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

Sec. 203. (1) In addition to the funds appropriated in part 1, there is appropriated an amount equal to any additional federal funding awarded to this state through recalculation of formulas and under the redistribution provisions of the American recovery and reinvestment act of 2009, Public Law 111-5.

(2) Within 30 days of receiving such an award, a department shall report to the senate and house appropriations subcommittees, senate and house fiscal agencies, state budget director, and the governor on the amount of funds received and the purposes for which they will be spent.

Sec. 204. The unexpended funds from appropriations in part 1 designated as ARRA funding and in section 210 and any unencumbered or unallotted funds from those appropriations are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purposes of the projects to be carried forward are to protect and invest in the natural resources, infrastructure, and people of the state of Michigan in accordance with the provisions of the American recovery and reinvestment act of 2009, Public Law 111-5.

(b) The projects will be accomplished by state employees and by contract.

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

(d) The tentative completion date is September 30, 2013.

Sec. 205. (1) In a form and manner determined by the recipient department, local governments and other eligible subrecipients receiving funds through this act shall comply with all requirements corresponding to the receipt of funds, including, but not limited to, any certifications, assurances, and accountability and transparency provisions required in the American recovery and reinvestment act of 2009, Public Law 111-5.

(2) Funds appropriated in part 1 may be transferred to subrecipient state departments or agencies in an interdepartmental grant consistent with the requirements of the American recovery and reinvestment act of 2009, Public Law 111-5.

Sec. 206. The line-item appropriations in part 1 financed by federal funds designated as ARRA funding represent federal funds associated with the American recovery and reinvestment act of 2009, Public Law 111-5. These federal funds are temporary in nature. It is the intent of the legislature that when these temporary federal funds are fully expended, the program funding levels and any state employees supported by these temporary federal funds will not be continued.

### **COMMUNITY HEALTH**

Sec. 351. (1) The amount appropriated in part 1 and in part 1 of 2009 PA 131 for substance abuse prevention, education, and treatment grants shall be expended for contracting with coordinating agencies. Coordinating agencies shall work with CMHSPs or PIHPs to coordinate care and services provided to individuals with severe and persistent mental illness and substance abuse diagnoses.

(2) The department shall approve a fee schedule for providing substance abuse services and charge participants in accordance with their ability to pay.

(3) It is the intent of the legislature that the coordinating agencies continue current efforts to collaborate on the delivery of services to those clients with severe and persistent mental illness and substance abuse diagnoses.

(4) Coordinating agencies that are located completely within the boundary of a PIHP shall conduct a study of the administrative costs and efficiencies associated with consolidation with that PIHP. If that coordinating agency realizes an administrative cost savings of 5% or greater of their current costs, then that coordinating agency shall initiate discussions regarding a potential merger in accordance with section 6226 of the public health code, 1978 PA 368, MCL 333.6226.

### **DEPARTMENT OF HUMAN SERVICES**

Sec. 431. From the funds appropriated in part 1 for demonstration projects, the department shall allocate \$2,000,000.00 to Self-Help Addiction Rehabilitation, Inc. (SHAR) for community services and outreach activities. These amounts may be designated as a work project and carried forward to support SHAR under the direction of the department. 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.

### **LEGISLATURE**

Sec. 451. The appropriations in part 1 for senate and house of representatives census tracking/reapportionment shall be used for purchasing equipment, supplies, and services needed for tracking and reporting census and reapportionment information for the state of Michigan. These funds are designated as work project appropriations, 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 \$878,000.00, and the tentative completion date is September 30, 2013.

### **NATURAL RESOURCES AND ENVIRONMENT**

Sec. 501. The funds described in part 1 that are collected by the department for historical markers; document reproduction and services; conferences, admissions, workshops, and training classes; and the use of specialized equipment, facilities, exhibits, collections, and software shall be used for expenses necessary to provide the required services. The department of natural resources and environment may charge fees for the services described in this section, including admission fees. Any unexpended funds may be carried forward into the next succeeding fiscal year.

Sec. 502. The unexpended funds appropriated in part 1 for the nonpoint source pollution prevention and control project program are considered work project appropriations, and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the projects to be carried forward is to fund nonpoint source pollution prevention efforts.
- (b) The projects will be accomplished by contract.
- (c) The total estimated cost of these projects is \$3,000,000.00.
- (d) The tentative completion date is September 30, 2014.

Sec. 503. It is the intent of the legislature that the funds appropriated in part 1 for the Michigan historical program shall not be generated by admissions fees for the Michigan historical museum and other state historical facilities.

**STATE**

Sec. 601. The unexpended funds appropriated in part 1 for the help America vote act of 2002, 42 USC 15301 to 15545, are considered work project appropriations, and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to implement provisions of the help America vote act of 2002, 42 USC 15301 to 15545, 2002 PA 91, and other election reforms.

(b) These projects will be accomplished by state employees, by contracts with private vendors, or by grants to local units of government.

(c) The total estimated cost of these projects is \$5,900,000.00.

(d) The tentative completion date is September 30, 2014.

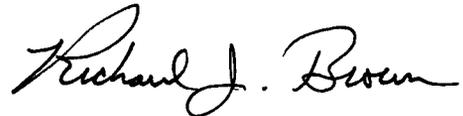
**TREASURY**

Sec. 701. The appropriation in part 1 for supervision of the general property tax law is to fund personal property tax audits. The appropriation described in this section is designated as a work project appropriation and shall not lapse at the end of the fiscal year. In compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a, any unencumbered and unexpended funds shall continue to be available for expenditure until the project has been completed. The total cost of the work project is estimated at \$3,000,000.00, and the tentative completion date is September 30, 2012.

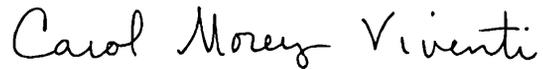
**REPEALERS**

Sec. 1001. Sections 407 and 1630 of 2009 PA 131 are repealed.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor

Act No. 285  
Public Acts of 2010  
Approved by the Governor  
December 16, 2010  
Filed with the Secretary of State  
December 16, 2010  
EFFECTIVE DATE: December 16, 2010

**STATE OF MICHIGAN  
95TH LEGISLATURE  
REGULAR SESSION OF 2010**

Introduced by Rep. Espinoza

**ENROLLED HOUSE BILL No. 6153**

AN ACT to make, supplement, and adjust appropriations for the department of state police for the fiscal year ending September 30, 2011; to provide for the expenditure of the appropriations; and to prescribe certain conditions for the appropriations.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of state police to supplement appropriations for the fiscal year ending September 30, 2011, from the following funds:

**APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	3,400,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	3,400,000
Federal revenues:		
Total federal revenues .....		1,700,000
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues .....		1,700,000
State general fund/general purpose .....	\$	0

**Sec. 102. DEPARTMENT OF STATE POLICE**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	3,400,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	3,400,000
Federal revenues:		
Total federal revenues .....		1,700,000
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues .....		1,700,000
State general fund/general purpose .....	\$	0

**(2) INFORMATION TECHNOLOGY**

Information technology services and projects.....	\$	3,400,000
<b>GROSS APPROPRIATION .....</b>	<b>\$</b>	<b>3,400,000</b>
Appropriated from:		
Federal revenues:		
DOT.....		1,700,000
Special revenue funds:		
Commercial mobile radio service fees.....		1,700,000
State general fund/general purpose .....	\$	0

**PART 2**

**PROVISIONS CONCERNING APPROPRIATIONS**

**GENERAL SECTIONS**

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this appropriation act for the fiscal year ending September 30, 2011 is \$1,700,000.00 and state appropriations paid to local units of government are \$0.

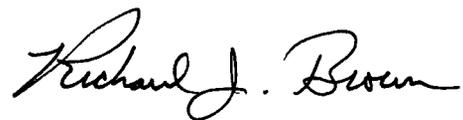
Sec. 202. The appropriations authorized under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

**INFORMATION TECHNOLOGY**

Sec. 301. The funds appropriated in part 1 shall be used solely for the acquisition and deployment of a state integrated IP-based 9-1-1 mapping system.

Enacting section 1. This act does not take effect unless House Bill No. 5622 of the 95th Legislature is enacted into law.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor