

Historical and current data contained within MAIN; access.

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

Information technology services; managing and processing information.

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

- (a) Application development and maintenance.
- (b) Desktop computer support and management.
- (c) Mainframe computer support and management.
- (d) Server support and management.
- (e) Local area network support and management.
- (f) Information technology contract, project, and procurement management.
- (g) Information technology planning and budget management.
- (h) Telecommunication services, security, infrastructure, and support.
- (i) Software and software licensing.

Michigan public safety communications system; report.

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

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

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

(4) The department of information technology shall provide a report to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director on April 15 and on October 15, indicating the amount of revenue collected under this section and expended for support and maintenance of the Michigan public safety communications system for the immediately preceding 6-month period. Any deposits made under this section and unencumbered funds are restricted revenues and may be carried forward into succeeding fiscal years.

Report.

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

- (a) The total amount of funding appropriated for information technology services and projects, by funding source, for all principal executive departments and agencies.
- (b) A listing of the expenditures made from the amounts received by the department of information technology, as reported in subdivision (a).

Life-cycle of information technology hardware and software; report.

Sec. 579. The department of information technology shall provide a report that analyzes and makes recommendations on the life-cycle of information technology hardware and

software. The report shall be submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1.

Business application modernization project.

Sec. 580. (1) From the funds appropriated in part 1 to general services, for the department of state, there is appropriated \$4,550,000.00 for the business application modernization project. Funds shall only be used for the development, implementation, and maintenance of the business application modernization project.

(2) The unexpended funds appropriated in part 1 for the business application modernization project are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered or unallotted funds shall be carried over into the succeeding fiscal year and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$30,000,000.00, and the tentative completion date is September 30, 2010.

State's information technology assets; study.

Sec. 581. From the funds appropriated in part 1, the department of information technology shall conduct a study of the state's information technology assets, including hardware, software, and networks to determine any benefits and economies that can be achieved through, but not limited to, hardware and software consolidation and standardization, process improvements, project management improvements, and increased standards-based information sharing between agencies. The department shall provide a report on the findings of the study by March 1 to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies. The report shall summarize the top 10 initiatives that would provide the most benefit to the state and the cost of implementing those initiatives.

Identification of information and referral services for state government; study.

Sec. 584. Pursuant to section 584 of 2005 PA 146, the department of information technology shall complete a study with the department of human services, the department of community health, the department of labor and economic growth, the department of education, and the department of state police identifying all information and referral services for state government, including, but not limited to, 1-800 help lines, community resource databases, and public information outreach initiatives. The report shall summarize the purpose, scope, and cost of each service and identify potential cost savings to the state of Michigan through the shared use of 2-1-1. Due to the scope of the study, the original completion date for the study was not attainable. However, the department of information technology provided a preliminary report on April 7, 2006 reporting on funding secured for the study and communications to department directors enlisting support and identification of study liaisons for each department. The completed report shall be delivered to the senate and house of representatives standing committees on appropriations subcommittees on general government not later than October 15, 2006.

Expenditures for child support enforcement system.

Sec. 585. The department shall provide a report that calculates the total amount of funds expended for the child support enforcement system to date from the inception of the program. The report shall contain information on the original start and completion dates for the project, the original cost to complete the project, and a listing of all revisions to project completion dates and costs. The report shall include the total amount of funds paid to the federal government for penalties. The report shall be submitted to the senate and

house of representatives standing committees on government operations, the senate and house of representatives standing committees on appropriations subcommittees on general government, and the senate and house fiscal agencies by January 1.

LEGISLATURE

Receipt, expenditure, and transfer of funds.

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

Expenditure or transfer of funds; approval.

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.

Rent and utility costs.

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

National association dues.

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

Legislative parking facilities.

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

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

Michigan manual; publication as work project.

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.

Building maintenance; purchase of equipment and services.

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, 2011.

Data processing requirements and technology improvements.

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, 2011.

Save the flags fund.

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.

Payments for health insurance benefits for unmarried domestic partners; use of funds prohibited.

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

OFFICE OF THE AUDITOR GENERAL

Judicial branch; audits.

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.

Minority-owned and women-owned accounting firms and accounting firms owned and operated by persons with disabilities; participation in audits; report.

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.

Office of the auditor general; salaries.

Sec. 622. From the funds appropriated in part 1 to the office of the 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.

Audits requested by legislature; supplemental funding.

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 MANAGEMENT AND BUDGET**Transfers or auctions of state surplus, salvage, or scrap property; offset of costs incurred in acquisition and distribution of federal surplus property.**

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

Receipt and expenditure of additional funds.

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

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

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

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

Financing sources for statewide appropriations; funding by assessments against longevity and insurance appropriations.

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

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

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

Amounts within special revenue internal service and pension trust funds; limitation on portions.

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

Donated annual leave and administrative leave bank transfer provisions; implementation.

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

MAIN project; funding.

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

Building occupancy and parking charges.

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

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

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

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

Invitation for bids and requests for proposals; maintenance of website; additional advertising.

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

Michigan Vietnam veterans memorial fund.

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

Michigan veterans' memorial park commission; receipt and expenditure of funds.

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

Motor vehicle fleet.

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

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

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

(4) Pursuant to the department of management and budget's authority under sections 213 and 215 of the management and budget act, 1984 PA 431, MCL 18.1213 and 18.1215, the department shall 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 management and budget may charge state agencies for fuel cost increases that exceed \$2.27 per gallon of unleaded gasoline. Revenues received from these charges are appropriated upon receipt.

Products manufactured or services offered by Michigan-based firms; purchasing preference.

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

Contract considerations.

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

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

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

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

(d) Whether the acquisition of goods or services from a vendor that is an expatriated business entity located in a tax haven country or an affiliate of an expatriated business entity located in a tax haven country would be detrimental to the state of Michigan, its residents, or the state's economy. As used in this section, "expatriated business entity" means a corporation or an affiliate of the corporation incorporated in a tax haven country

after September 11, 2001, but with the United States as the principal market for the public trading of the corporation's stock, as determined by the director of the department of management and budget. "Tax haven country" means each of the following: Barbados, Bermuda, British Virgin Islands, Cayman Islands, Commonwealth of the Bahamas, Cyprus, Gibraltar, Isle of Man, the Principality of Liechtenstein, the Principality of Monaco, and the Republic of the Seychelles.

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

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

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

Collection of information from vendors.

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

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

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

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

Location from which call or contact center services provided; disclosure.

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

Michigan law enforcement officers memorial monument fund; receipt and expenditure of money.

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

Ronald Wilson Reagan memorial monument fund; receipt and expenditure of money.

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

State-owned property available for purchase; list of parcels.

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

STATE BUILDING AUTHORITY**Sale of bonds or notes.**

Sec. 725. (1) Subject to section 242 of the management and budget act, 1984 PA 431, MCL 18.1242, and upon the approval of the state building authority, the department may expend from the general fund of the state during the fiscal year ending September 30, 2007 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, 2007. 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.

Release of funds to university or community college; agreement to reimburse excess revenue to state building authority; "revenue" defined.

Sec. 726. (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.

Insurance premiums or deductible costs.

Sec. 727. (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.

Construction projects; status reports.

Sec. 728. The department of management and budget shall provide the JCOS and the 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.

DEPARTMENT OF STATE

Availability of funds under MCL 500.3171.

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

Sale of records.

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

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

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

Cost of departmental publication; private or public funding source; advertising; disposition of received funds; carrying over unexpended funds; report; sale of manuals and other publications; establishment of price.

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

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

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

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

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

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

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

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

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

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

Costs of publication; appropriation.

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

Traffic accident records program; payments.

Sec. 807. From the funds appropriated in part 1, the department of state shall use available balances at the end of the state fiscal year to provide payment to the department of state police in the amount of \$321,900.00 for the services provided by the traffic accident records program as first appropriated in 1990 PA 196 and 1990 PA 208.

Miscellaneous revenue; limitation.

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

Commemorative and specialty license plate fee revenue.

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

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

Collector plate and fund-raising registration plate revenue.

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

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

Automotive repair facilities; training video on obligations under state law.

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

Michigan organ donor program; public information campaign; private or public funding sources; pamphlet; administrative expenses.

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

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

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

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

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

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

Branch office closings, consolidations, or relocations; notification to legislature; report.

Sec. 815. (1) At least 60 days prior to the announcement of secretary of state branch office closings, consolidations, or relocations, the department of state shall inform members of the senate and house of representatives standing committees on appropriations and legislators who represent affected areas regarding the details of the proposal. The information provided shall be in written form and include all 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.

(2) Prior to October 4, 2006, the department of state shall provide a report to the senate and house of representatives standing committees on appropriations subcommittees on general government regarding the department's branch optimization plan that was announced

on April 26, 2004. The report shall include a listing of all closed offices detailing savings by office, including lease, utilities, and all other savings associated with the closed office. The department shall provide the same level of detail regarding costs for new leased facilities and expansions of current leased space.

Branch office transactions; report.

Sec. 815a. By December 15, the department of state 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 branch office transactions completed online by Michigan residents in the immediately preceding fiscal year.

Credit and debit card services; service assessment.

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

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

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

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

Motorcycle safety education grants and administration.

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

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

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

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

Business application modernization project; designation as work project; carrying over unencumbered and unallotted funds.

Sec. 819. (1) From the funds appropriated in part 1 to the department of state for information technology services and projects, there is appropriated \$4,550,000.00 for the

business application modernization project. Funds shall only be used for the development, implementation, and maintenance of the business application modernization project.

(2) The unexpended funds appropriated in part 1 for the business application modernization project are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered or unallotted funds shall be carried over into the succeeding fiscal year and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$30,000,000.00, and the tentative completion date is September 30, 2010.

Locating Keweenaw county secretary of state branch office with Keweenaw county department of human services office.

Sec. 821. From the funds appropriated in part 1, the department of state shall complete a cost/benefit analysis regarding the feasibility of locating the Keweenaw County secretary of state branch office with the Keweenaw County department of human services office. The analysis shall include, but not be limited to, lease costs, building occupancy costs, property management costs, utilities, parking, distance between branch offices and issues related to the overall convenience for the citizens of Michigan. No later than December 1, 2006, the analysis shall be delivered to the members of the senate and house standing committees on appropriations subcommittees on general government and the house and senate fiscal agencies.

DEPARTMENT OF TREASURY

OPERATIONS

Debt service on notes and bonds.

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

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

Collection of taxes and other accounts; contracts with private collection agencies and law firms; report.

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

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

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

Investment service fee charged against retirement funds; expenditure; limitation; management of retirement funds' investment portfolios; report.

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.

Financial services expenditures.

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.

Sale of manuals.

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

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

Audits.

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.

Assessor certification and training fund.

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.

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

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.

Revenue from airport parking tax act; distribution.

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.

Bottle deposit fund; disbursement to dealers.

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

Refundable income tax credits; payment.

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.

Plaintiff in garnishment action; payment of fees.

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.

Senior citizens' cooperative housing tax exemption program; appraisal and appeal of assessments; audit; report.

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.

Ehlers internship award account; annual prize to runner-up of Rosenthal prize for interns.

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.

Appropriation from general fund to state campaign fund; reversion.

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

Customized unclaimed property listings of nonconfidential information; availability; report on revenue received.

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.

Write-offs and advances.

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).

Tax orientation workshops and seminars.

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.

Audit and collection of unclaimed property; contract with private firms; report.

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.

Payment for Sleeping Bear Dunes national lakeshore.

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

Reimbursements to public libraries.

Sec. 921. The state general fund/general purpose appropriation in part 1 for renaissance zone reimbursement is allocated to reimburse public libraries as provided by section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for property taxes levied in 2006. Reimbursements shall be made in amounts to each eligible recipient not later than 60 days after the department of treasury has received all necessary information to properly determine the amounts due each eligible recipient under section 12(4) of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692. Any excess allocations shall lapse to the general fund.

Amount of Michigan transportation fund revenue collected and cost of collection; report.

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.

Principal residence audit fund revenue; receipt and expenditure; report.

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

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

User services provided on contractual basis.

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.

Data or collection services.

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

Accounts receivable collections services; fees; report.

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).

Treasury fees.

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

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

Revenue received under Michigan education trust act; expenditure.

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.

Michigan education savings program; incentive program; matching funds.

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

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

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

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

Revenue received under hospital finance authority act; expenditure.

Sec. 934. The department of treasury may expend revenues received under the hospital finance authority act, 1969 PA 38, MCL 331.31 to 331.84, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund. The department of treasury shall maintain accounting records in sufficient detail to enable the hospital clients to be reimbursed periodically for fees that are determined by the department of treasury to be surplus to needs.

Revenue received under shared credit rating act; expenditure.

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

Revenue received under higher education facilities authority; expenditure.

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

Revenue received under Michigan public educational facilities authority.

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

Early stage, university derived life science companies located in Michigan; investments.

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.

Standardized audit schedule project expenses.

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

Social security numbers; inclusion in mailings prohibited.

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

Conduct of 14-point review.

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.

Coordinating assessment and training activities; meetings.

Sec. 946. Members of the state tax commission and management level staff of the assessment and certification division may meet with statewide assessment organizations

on a quarterly basis for the purpose of coordinating assessment and training activities. Recertification and training activities may be conducted at regional locations chosen to maximize participation of local officials.

Revenue collection enhancement activities; principal residence exemption compliance program; designation of unexpended funds as work project; availability.

Sec. 947. (1) Of the \$5,856,800.00 included in part 1 for the revenue enhancement program, \$5,356,800.00 shall be used for revenue collection enhancement activities including auditing functions.

(2) The department of treasury shall submit quarterly 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.

(3) The \$500,000.00 balance of the \$5,856,800.00 shall be used for the principal residence exemption compliance program. Along with other program costs, expenditures shall include the development of a statewide web-based database created for the purpose of enforcing the principal residence exemption compliance program. The department shall submit quarterly progress reports that include the number of exemptions denied and the revenue received under this program. The legislative auditor general shall complete a performance audit of the principal residence exemption compliance program prior to April 1, 2007. Revenue generated to the state from the principal residence exemption compliance program shall be used to reimburse the state general fund for the \$500,000.00 appropriation prior to any other allocation. Additional funds from the revenue enhancement program and carryforward appropriations may be used to support costs in excess of \$500,000.00.

(4) Unexpended appropriations of the revenue enhancement 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 enhance revenue collection activities.
- (b) The project will be accomplished by contract.
- (c) The total estimated cost of the project is \$24,600,000.00.
- (d) The tentative completion date is September 30, 2009.

Number of tax returns filed online; report.

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 and single business tax returns, filed online by Michigan residents in the immediately preceding fiscal year.

Income tax form check-off initiatives.

Sec. 949. The department of treasury shall develop a plan for individual income tax form check-off initiatives. The plan shall be implemented beginning with the 2006 tax year. The plan shall include a process for determining the legal and operational feasibility of each proposed income tax form checkoff. The department shall submit the plan to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by October 31, 2006.

Sec. 949b. From the funds appropriated in part 1, 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.

REVENUE SHARING

Distribution of excess revenue to townships, cities, and villages.

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

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

Restoration of revenue sharing reductions in Executive Order No. 2003-23.

Sec. 952. The appropriation in part 1 for special grants to cities shall be used to restore revenue sharing reductions contained in Executive Order No. 2003-23 to a city that had an emergency financial manager appointed pursuant to the local government fiscal responsibility act, 1990 PA 72, MCL 141.1201 to 141.1291, continuously from December 10, 2003 through September 30, 2007.

Appropriations to counties; expenditure from revenue sharing reserve fund.

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

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

Special census revenue sharing payments.

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

LOTTERY**Implementation and operation of lottery games; limitations on expenditures.**

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

Promotional efforts directed towards individuals less than 18 years; prohibition.

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.

Association of professional or amateur sports figures with lottery or lottery products; prohibition; use of NASCAR drivers exempt.

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

(2) The prohibition in subsection (1) does not apply to the use of NASCAR drivers in conjunction with the promotion of instant ticket products. By November 1, 2006, the bureau of state lottery shall provide a report detailing the amount of revenue generated under this subsection to the senate and house of representatives standing committees on appropriations subcommittees on general government. The report shall include the cost of obtaining the use of NASCAR drivers, other administrative costs, and net revenue deposited in the state school aid fund.

Department of human services bridge cards; use to purchase lottery tickets prohibited.

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**Deposit of revenue into compulsive gaming prevention fund.**

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

Casino gaming oversight; funds.

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

Assistance to local revenue sharing board; agreements with federally recognized Indian tribes; allocations; report.

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

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

(3) A county treasurer is authorized to receive and administer funds received for and on behalf of a local revenue sharing board. Funds appropriated in part 1 for local government programs may be used to audit local revenue sharing board funds held by a county treasurer. This section does not limit the ability of local units of government to enter into agreements with federally recognized Indian tribes to provide financial assistance to local units of government or to jointly provide public services.

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

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

Casino gaming regulation activities; full funding; distribution of shortfall.

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.

REVENUE STATEMENT

Fund balances and estimates; statement.

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

BUDGET RECOMMENDATIONS BY OPERATING FUNDS

(Amounts in millions)

Fiscal Year 2006-2007

	Fund	Beginning		Ending
		Unreserved Fund Balance	Estimated Revenue	
OPERATING FUNDS				
General fund/general purpose	0110	136.7	9020.4	0.0
General fund/special purpose.....		478.7	15,297.5	662.7

Special Revenue Funds:				
Countercyclical budget and economic				
stabilization	0111	2.0	0.1	2.1
Game and fish protection	0112	18.9	63.2	4.0
Michigan employment security act				
administration.....	0113	0.0	123.4	4.1
State aeronautics	0114	1.4	182.3	0.0
Michigan veterans' benefit trust.....	0115	0.0	4.9	0.0
State trunkline	0116	0.0	1,200.1	0.0
Michigan state waterways	0117	14.9	25.5	7.6
Blue Water Bridge	0118	0.0	16.3	0.0
Michigan transportation	0119	0.0	2,080.2	0.0
Comprehensive transportation.....	0120	4.0	158.8	0.0
School aid	0122	93.8	13,022.9	0.0
Marine safety.....	0123	1.0	5.0	0.0
Game and fish protection trust	0124	6.0	12.0	6.0
State park improvement	0125	3.6	41.5	0.0
Forest development	0126	11.7	30.3	4.1
Michigan civilian conservation corps				
endowment.....	0128	0.3	6.0	0.0
Michigan natural resources trust.....	0129	34.1	54.7	30.8
Michigan state parks endowment.....	0130	10.9	16.2	7.8
Safety education and training	0131	4.9	7.1	2.6
Bottle deposit	0136	0.0	18.5	0.0
State construction code	0138	5.7	10.2	0.0
Children's trust	0139	1.3	3.3	2.3
State casino gaming	0140	16.2	32.0	1.2
Homeowner construction lien recovery	0141	4.4	1.6	2.8
Michigan nongame fish and wildlife	0143	0.3	0.5	0.0
Michigan merit award trust.....	0154	9.5	286.6	0.0
TOTALS.....		\$860.3	\$41,721.1	\$738.1

ARTICLE 9

HISTORY, ARTS, AND LIBRARIES

PART 1

LINE-ITEM APPROPRIATIONS

Appropriations; department of history, arts, and libraries.

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of history, arts, and libraries for the fiscal year ending September 30, 2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	232.0	
GROSS APPROPRIATION.....		\$ 54,863,700

	For Fiscal Year Ending Sept. 30, 2007
Total interdepartmental grants and intradepartmental transfers	\$ 79,000
ADJUSTED GROSS APPROPRIATION.....	\$ 54,784,700
Total federal revenues	8,450,900
Total local revenues	0
Total private revenues.....	577,400
Total other state restricted revenues	2,581,200
State general fund/general purpose	\$ 43,175,200

Department operations (thriving economy).

Sec. 102. DEPARTMENT OPERATIONS (THRIVING ECONOMY)

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	30.0	
Unclassified salaries		\$ 222,300
Management services—29.0 FTE positions		2,090,600
Building occupancy charges and rent		3,180,100
Worker's compensation.....		14,000
Office of film and television services—1.0 FTE position		175,000
Human resources optimization user charges		16,100
GROSS APPROPRIATION		\$ 5,698,100
Appropriated from:		
State general fund/general purpose		\$ 5,698,100

Information technology (thriving economy).

Sec. 103. INFORMATION TECHNOLOGY (THRIVING ECONOMY)

Information technology services and projects.....		\$ 953,100
GROSS APPROPRIATION		\$ 953,100
Appropriated from:		
Interdepartmental grant revenues:		
Special revenue funds:		
Mackinac Island state park fund.....		46,900
State general fund/general purpose		\$ 906,200

Michigan council for arts and cultural affairs (thriving economy).

Sec. 104. MICHIGAN COUNCIL FOR ARTS AND CULTURAL AFFAIRS (THRIVING ECONOMY)

Full-time equated classified positions	9.0	
Administration—9.0 FTE positions		\$ 726,600
Arts and cultural grants.....		10,144,300
GROSS APPROPRIATION		\$ 10,870,900
Appropriated from:		
Federal revenues:		
NFAH-NEA, promotion of the arts, partnership agreements		700,000
State general fund/general purpose		\$ 10,170,900

Mackinac Island state park commission (thriving economy).

Sec. 105. MACKINAC ISLAND STATE PARK COMMISSION (THRIVING ECONOMY)

Full-time equated classified positions	39.0	
Mackinac Island park operation—24.3 FTE positions		\$ 1,489,000

	For Fiscal Year Ending Sept. 30, 2007
Historical facilities system—14.7 FTE positions	\$ 1,928,600
GROSS APPROPRIATION	\$ 3,417,600
Appropriated from:	
Interdepartmental grant revenues:	
Federal revenues:	
Federal funds	200,000
Special revenue funds:	
Mackinac Island state park fund.....	1,521,200
Mackinac Island state park operation fund	154,500
State general fund/general purpose	\$ 1,541,900

Michigan historical program (thriving economy).

Sec. 106. MICHIGAN HISTORICAL PROGRAM

(THRIVING ECONOMY)

Full-time equated classified positions	83.0
Federal programs—12.0 FTE positions	\$ 1,993,500
Heritage publications	700,000
Historical administration and services—71.0 FTE positions	5,269,500
Private grants and gifts	502,400
Thunder Bay national marine sanctuary and underwater preserve ...	197,500
GROSS APPROPRIATION	\$ 8,662,900

Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDOT, comprehensive transportation fund.....	3,400
IDG-MDOT, state aeronautics fund	2,100
IDG-MDOT, state trunkline fund	73,500
Federal revenues:	
DOI-NPS, historic preservation grants-in-aid	1,419,000
Federal funds	574,500
Special revenue funds:	
Private - grants and gifts.....	400,000
Private - Mann house trust fund	102,400
Game and fish protection fund	2,400
Heritage publication fund	700,000
Marine safety fund	500
Special revenue, internal service and pension trust	49,400
State lottery fund	18,800
Waterways fund.....	600
State general fund/general purpose	\$ 5,316,300

Library of Michigan (thriving economy).

Sec. 107. LIBRARY OF MICHIGAN (THRIVING

ECONOMY)

Full-time equated classified positions	71.0
Book distribution centers.....	\$ 350,000
Collected gifts and fees.....	161,900
Library of Michigan operations—71.0 FTE positions.....	6,543,800
Library services and technology act	5,557,400
State aid to libraries	\$ 12,143,000

	For Fiscal Year Ending Sept. 30, 2007
Subregional state aid	\$ 505,000
GROSS APPROPRIATION	\$ 25,261,100
Appropriated from:	
Federal revenues:	
Library services and technology act	5,557,400
Special revenue funds:	
Private - gifts and bequests revenues	75,000
User fees	86,900
State general fund/general purpose	\$ 19,541,800

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS**Total state spending; payments to local units of government.**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is \$45,756,400.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is \$14,058,900.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

Arts and cultural grants	\$ 1,410,900
State aid to libraries	12,143,000
Subregional state aid	505,000
Total department of history, arts, and libraries	\$ 14,058,900

Appropriations subject to MCL 18.1101 to 18.1594.

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

Definitions.

Sec. 203. As used in this appropriation article:

- (a) "Department" means the department of history, arts, and libraries.
- (b) "Director" means the director of the department of history, arts, and libraries.
- (c) "DOI-NPS" means the United States department of interior, national park service.
- (d) "Fiscal agencies" means the house fiscal agency and the senate fiscal agency.
- (e) "FTE" means full-time equated.
- (f) "IDG" means interdepartmental grant.
- (g) "MCACA" means the Michigan council for arts and cultural affairs.
- (h) "MDOT" means the Michigan department of transportation.
- (i) "NEA" means the national endowment for the arts.

(j) “NFAH” means the national foundation of the arts and the humanities.

(k) “Subcommittees” means all members of the appropriate subcommittees of the senate and house of representatives appropriations committees.

Billing by department of civil service.

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.

Hiring freeze; exceptions.

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

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

Privatization; project plan.

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

Use of Internet; reporting requirements.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this article. 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.

Purchase of foreign goods or services.

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

Affirmative action programs.

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

Information technology; payment of user fees.

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

interagency agreement between the departments and agencies and the department of information technology.

Information technology; designation as work projects.

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

Agreements to provide certain services; fees; additional funds; disposition of funds.

Sec. 215. (1) The department may provide and enter into agreements to provide general services, training, meetings, information, special equipment, software, and facility use, and technical consulting services to other principal executive departments, state agencies, local units of government, the judicial branch of government, other organizations, and patrons of department facilities. Fees for services shall be reasonably related to the cost of providing the services and shall be used to offset the costs of the services. The department may receive and expend funds in addition to those authorized in part 1 for the following:

(a) Supplying census-related information and technical services, publications, statistical studies, population projections and estimates, and other demographic products.

(b) Microfilming and other document and data imaging services, media, storage, and copies.

(c) Patron copier and document reproduction services and copies.

(d) Conferences, training classes, exhibits, programs, and workshops conducted as part of the department's mission.

(e) Use of specialized equipment, facilities, and software that permit distance learning and meetings, and group decision making.

(f) Special services including the rental of department exhibits and collections.

(g) Application fees.

(h) Grants, gifts, and bequests, including those for capital projects.

(2) The funds received under this section shall be deposited in and expended from the history, arts, and libraries fund established in section 216 of this article.

History, arts, and libraries fund; creation; use of funds; carrying forward balance; report.

Sec. 216. (1) A fund known as the history, arts, and libraries fund is created in the department. The fund shall be used to receive and expend funds in addition to those authorized in part 1. The fund balance may be carried forward for expenditure in subsequent fiscal years.

(2) The department shall provide a report to the senate and house of representatives appropriations subcommittees on history, arts, and libraries of all revenues to and expenditures from the history, arts, and libraries fund. The report shall include an estimated fund balance for the fiscal year ending September 30, 2007. The report is due November 1, 2007.

Out-of-state travel.

Sec. 217. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2007 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 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 senate and house of representatives 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.

Supplemental fund sourcing options.

Sec. 218. It is the intent of the legislature to explore supplemental fund sourcing options for the department of history, arts, and libraries.

Communication of employee with legislative member or staff.

Sec. 219. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Michigan film advisory commission; publication of minutes; posting on Internet.

Sec. 220. The department shall publish the proposed minutes of the Michigan film advisory commission on the Internet within 8 business days after the meeting to which the minutes refer. Approved minutes of the Michigan film advisory commission shall be posted on the Internet within 8 business days after their approval.

State's filming locations; marketing.

Sec. 221. It is the intent of the legislature to explore the costs and the benefits associated with strategically marketing this state's unique geographic and demographic filming locations through satellite film offices.

MICHIGAN COUNCIL FOR ARTS AND CULTURAL AFFAIRS**Michigan council for arts and cultural affairs; grants requests; decisions; agreement; distribution of funds granted through regional regrating program; transition of nonprofit organizations to professionally directed operations; violation of agreement.**

Sec. 401. (1) The MCACA in the department shall administer the arts and cultural grants appropriated in part 1.

(2) The MCACA shall render fair and independent decisions concerning arts and cultural grant requests and shall do all of the following:

(a) Use published criteria to evaluate program quality, including all of the following:

(i) The department's intended goals and outcomes for each program.

(ii) The department's quantifiable measures of success in meeting the intended goals and outcomes.

(b) Seek to award grants on an equitable geographic basis to the extent possible given the quality of grant applications received.

(c) Give priority to projects that serve multiple counties, leverage significant additional public and private investment, or demonstrate a significant potential to increase tourism or attract or retain businesses or residents.

(3) The MCACA shall not award a grant unless the proposed grant recipient agrees to both of the following:

(a) The grant will not be used to fund a project or activity that includes a display of human waste on religious symbols, a display of a sex act, or a depiction of flag desecration.

(b) Grant funding will not be used to create or promote a specific work that includes a display or depiction for which funding is prohibited under subdivision (a).

(4) The MCACA shall provide for fair, equitable, and efficient distribution of funds granted through the regional regrating program. The MCACA shall provide for an annual assessment of grant management and distribution of mini-grant awards by designated regional regrating agencies and review the methodology employed.

(5) The MCACA shall continue and expand its efforts to encourage and support nonprofit arts and cultural organizations to transition from solely volunteer-based organizations to professionally directed operations. Criteria for support include the requirement of collaboration between these organizations and other community organizations.

(6) The department shall withhold undistributed grant payments from a grant recipient who violates the terms of the agreement required under subsection (3) and may disqualify the grant recipient from award of future grants for a period of not more than 3 years.

Grant awards; categories.

Sec. 402. The MCACA may award grants to counties, cities, villages, townships, community foundations and organizations in the following categories:

(a) Anchor organization program for organizations that serve regional and statewide audiences. Anchor organizations shall demonstrate a commitment to education, to mentoring smaller organizations, and to reaching underserved audiences.

(b) Arts projects program.

(c) Arts and learning program.

- (d) Artists in residence for education program.
- (e) Arts organization development program.
- (f) Capital improvement program.
- (g) Local arts agencies services program.
- (h) Regional regranting program.
- (i) Partnership program.
- (j) Rural arts and cultural program.
- (k) Cultural projects program.
- (l) Historical projects program.
- (m) Discretionary grants program.
- (n) Cultural and ethnic heritage centers and museums.

Funding percentages; limitation; grant agreement.

Sec. 403. (1) From the state funds appropriated in part 1 for arts and cultural grants, no one organization may receive more than 16% of this funding. It is the intent of the legislature that this percentage be reduced to 15% in fiscal year 2008.

(2) The MCACA shall make every effort to provide total grant awards in the anchor organization program at a level not to exceed 70% of the total amount appropriated for arts and cultural grants.

(3) As documented in the audit report that is submitted as part of the grant application process, the total of all grants awarded to any organization receiving grants within the anchor organization program may not exceed 15% of their “total unrestricted revenues, gains, and other support”, as defined by the financial accounting standards board in the accounting standards for not-for-profit organizations or equivalent accounting standards for other types of eligible organizations.

(4) Before any amount appropriated for arts and cultural grants in part 1 may be expended for a grant to an eligible recipient, the department shall execute a grant agreement with the recipient. The grant agreement shall identify the projects funded, specify the category in section 402 under which the grant is awarded, and include the prohibitions and sanctions identified in section 401(3) and (6).

Grant applicants; requirements.

Sec. 404. Grant applicants must meet and adhere to the following requirements:

(a) Each applicant shall pay a nonrefundable application fee of \$300.00 or 3% of the desired grant amount, whichever is less. Application fees shall be deposited in the history, arts, and libraries fund established in section 216. The department may use the application fee to offset its direct and indirect costs.

(b) An applicant for a grant under the anchor organization program shall submit with the application the applicant’s most recent annual audit report which states their “total unrestricted revenues, gains, and other support”, as defined by the financial accounting standards board in the accounting standards for not-for-profit organizations or equivalent accounting standards for other types of eligible organizations. The audit report must cover an audit period that ends within 18 months of the date of the application.

(c) Each applicant shall identify proposed matching funds from local and/or private sources on a dollar-for-dollar basis. The dollar-for-dollar match may include the reasonable value of services, materials, and equipment as allowed under the federal internal revenue code for charitable contributions.

Information provided by grant recipient.

Sec. 405. Each grant recipient shall provide the MCACA with the following:

(a) Proof of the entire amount of the matching funds, services, materials, or equipment by the end of the award period.

(b) Within 30 days following the end of the grant period, a final report that includes the following:

(i) Project revenues and expenditures including grant matching fund amounts.

(ii) Number of patrons attracted or benefiting during the grant period.

(iii) A narrative summary of each project and its outcome, including all of the following:

(A) How the project supported achieving the department's intended goals and outcomes for each program.

(B) How the project met the quantifiable measures of success in meeting the goals and outcomes.

(c) By April 7 of the grant year, each recipient of a grant greater than \$100,000.00 shall submit an interim report that includes the items identified in subdivision (b).

Reports.

Sec. 406. (1) The department shall make the following reports:

(a) A report identifying the website location that contains a list of all grant recipients, sorted by county. This report shall be provided to each legislator within 1 business day of the announcement of annual awards by the MCACA.

(b) A report to the senate and house of representatives appropriations subcommittees, the state budget office, and the fiscal agencies, within 30 days after the MCACA announces the annual grant awards, that includes all of the following:

(i) A listing of each applicant.

(ii) The county of residence of the applicant.

(iii) The amount requested.

(iv) The amount awarded.

(v) The grant category under which an applicant applied.

(vi) A summary of projects funded for each recipient.

(vii) The expected number of patrons for an applicant during the grant period.

(viii) The amount of matching funds proposed by each applicant.

(ix) A listing containing the applicant, county of residence of the applicant, and amount awarded for any regranted funds in the preceding fiscal year.

(c) An annual report to the appropriations subcommittees, the state budget office, and the fiscal agencies is due when materials are first distributed by the MCACA seeking grant applications for the subsequent fiscal year. The report shall contain the following:

(i) The MCACA guidelines for awarding grants, including the intended program goals and outcomes and quantifiable measures of success in meeting the goals and outcomes.

(ii) A summary of any changes in the program guidelines from the previous fiscal year.

(d) An annual report to the appropriations subcommittees, the state budget office, and the fiscal agencies on the success in meeting program goals and outcomes for the preceding fiscal year. The report is due by February 1 and shall contain all of the following:

(i) The MCACA intended program goals and outcomes.

(ii) A summary by program of performance according to the established quantifiable measures of success for meeting intended goals and outcomes.

(iii) The reasons why outcomes or goals were not met.

(iv) The plans for better achieving the outcomes and goals in the future.

(2) The council shall report to the chairpersons of the senate and house of representatives appropriations subcommittees on history, arts, and libraries by August 1 all unexpended or unencumbered discretionary grant funding that is available. The council shall not redistribute any unexpended or unencumbered grant funds during the fiscal year without a 10-day notice to the chairpersons of the senate and house of representatives appropriations subcommittees on history, arts, and libraries.

Designation on Michigan income tax form for contributions.

Sec. 407. It is the intent of the legislature to amend the income tax act of 1967, MCL 206.1 to 206.532, to create a designation on the Michigan income tax form for contributions to the Michigan council for arts and cultural affairs grant program.

Cultural and ethnic heritage centers and museums; priority funding.

Sec. 408. From the funds appropriated in section 104, arts and cultural grants, the department may assign priority funding to cultural and ethnic heritage centers and museums whose primary mission is to present, preserve, and promote the culture and heritage of distinct ethnic and racial groups and to educate the public regarding their contributions in a manner that fosters tolerance and understanding of diversity among Michigan citizens. These organizations must meet all other application eligibility criteria and requirements to be considered for an MCACA grant award. Applications for these grants for fiscal year 2007 may be accepted by the department until November 30, 2006.

MICHIGAN HISTORICAL PROGRAM

Historic site preservation grants as work projects; availability for expenditure; purpose.

Sec. 501. The federal funds appropriated in part 1 for the historic site preservation grants are for work projects and shall not lapse at the end of the fiscal year but shall continue to be available for expenditure until the projects for which the funds were reserved have been completed or are terminated. The purpose of these work projects is the identification, designation, and preservation of historic resources. The method used will be to solicit applications, score applications based upon established criteria, and award subgrants. The department shall execute a grant agreement with each recipient. The total cost is \$200,000.00, and the tentative completion date is September 30, 2007.

Funds collected under MCL 399.3, 399.6, 399.7, and 399.7a; allocation.

Sec. 502. Funds collected by the department under sections 3, 6, 7, and 7a of 1913 PA 271, MCL 399.3, 399.6, 399.7, and 399.7a, are appropriated to the department for the purposes for which they were received, are allocated for expenditure upon receipt and may be carried forward for expenditure in subsequent fiscal years.

Museum store; administration.

Sec. 503. For the purposes of administering the museum store as provided in section 7a of 1913 PA 271, MCL 399.7a, the department is exempt from section 261 of the management and budget act, 1984 PA 431, MCL 18.1261.

Michigan freedom trail commission; operations; use of funds.

Sec. 505. From the funds appropriated in part 1 for historical administration and services, \$25,000.00 shall be allocated to support the operations of the Michigan freedom trail commission as specified in section 4 of the Michigan freedom trail commission act, 1998 PA 409, MCL 399.84. These funds shall be used to reimburse commission members, to pay for necessary contractual services of the commission, and to hire not more than 1.0 FTE position in the department's Michigan historical center to support commission operations.

Auctions, sales, or transfers of artifacts.

Sec. 506. Proceeds in excess of costs incurred in the conduct of auctions, sales, or transfers of artifacts no longer considered suitable for the collections of the state historical museum are appropriated to the department and may be expended upon receipt for additional material for the collection. The department shall notify the chairpersons, vice chairpersons, and minority vice chairpersons of the senate and house of representatives appropriations subcommittees on history, arts, and libraries 1 week prior to any auctions or sales.

Michigan history magazine subscriber list; use.

Sec. 507. Unless prohibited by law, the department shall make available to the historical society of Michigan the use of the Michigan history magazine subscriber list, or a portion of the Michigan history magazine subscriber list, at a cost not to exceed the actual expense incurred for providing a single mailing.

LIBRARY OF MICHIGAN**Subregional library; receipt of state aid; effect of reduced expenditures.**

Sec. 601. In order to receive subregional state aid as appropriated in part 1 to the library of Michigan, a subregional library's fiscal agency must agree to maintain local funding support at the same level in the current fiscal year as in the fiscal agency's preceding fiscal year. If a reduction in expenditures equally affects all agencies in a local unit of government that is the subregional library's fiscal agency, that reduction shall not be interpreted as a reduction in local support and shall not disqualify a subregional library from receiving state aid under part 1. If a reduction in income affects a library cooperative or district library that is a subregional library's fiscal agency or a reduction in expenditures for the subregional library's fiscal agency, a reduction in expenditures for the subregional library shall not be interpreted as a reduction in local support and shall not disqualify a subregional library from receiving state aid under part 1.

Subregional library; release of funds; approval of budget.

Sec. 602. The funds appropriated in part 1 for a subregional library shall not be released until a budget for that subregional library has been approved by the department for expenditures for library services directly serving the blind and persons with disabilities.

Book distribution centers; distribution of funds.

Sec. 607. The funds appropriated in part 1 for book distribution centers shall be equally distributed to the public enrichment foundation and the Michigan friends of education.

ARTICLE 10
HUMAN SERVICES

PART 1

LINE-ITEM APPROPRIATIONS

Appropriations; department of human services.

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of human services for the fiscal year ending September 30, 2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF HUMAN SERVICES

APPROPRIATION SUMMARY:

Full-time equated classified positions	10,338.4	
Full-time equated unclassified positions	5.0	
Total full-time equated positions	10,343.4	
GROSS APPROPRIATION		\$ 4,468,155,300
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		3,102,700
ADJUSTED GROSS APPROPRIATION		\$ 4,465,052,600
Federal revenues:		
Total federal revenues		3,135,487,200
Special revenue funds:		
Total private revenues		8,876,100
Total local revenues		55,519,400
Total other state restricted revenues		67,702,000
State general fund/general purpose		\$ 1,197,467,900

Executive operations (vulnerable).

Sec. 102. EXECUTIVE OPERATIONS (VULNERABLE)

Full-time equated unclassified positions	5.0	
Full-time equated classified positions	455.3	
Unclassified salaries—5.0 FTE positions		\$ 537,200
Salaries and wages—310.3 FTE positions		16,257,600
Contractual services, supplies, and materials		5,689,300
Demonstration projects—12.0 FTE positions		7,062,500
Inspector general salaries and wages—106.0 FTE positions		5,531,100
Electronic benefit transfer EBT		7,333,600
Office of professional development—12.0 FTE positions		2,340,400
Michigan community service commission—15.0 FTE positions		9,430,800
State office of administrative hearings and rules		3,414,300
GROSS APPROPRIATION		\$ 57,596,800
Appropriated from:		
Federal revenues:		
Total federal revenues		37,438,600
Special revenue funds:		
Total private revenues		2,199,600
Total local revenues		175,000
Total other state restricted revenues		25,000
State general fund/general purpose		\$ 17,758,600

For Fiscal Year
Ending Sept. 30,
2007

Child support enforcement (vulnerable).

Sec. 103. CHILD SUPPORT ENFORCEMENT

(VULNERABLE)

Full-time equated classified positions.....	213.7	
Child support enforcement operations—207.7 FTE positions.....		\$ 22,980,200
Legal support contracts.....		140,753,600
Child support incentive payments.....		32,409,600
State disbursement unit—6.0 FTE positions.....		18,481,900
GROSS APPROPRIATION.....		\$ 214,625,300
Appropriated from:		
Federal revenues:		
Total federal revenues.....		197,714,500
Special revenue funds:		
Total local revenues.....		340,000
Total other state restricted revenues.....		600,000
State general fund/general purpose.....		\$ 15,970,800

Community action and economic opportunity (vulnerable).

Sec. 104. COMMUNITY ACTION AND ECONOMIC

OPPORTUNITY (VULNERABLE)

Full-time equated classified positions.....	17.0	
Bureau of community action and economic opportunity operations— 17.0 FTE positions.....		\$ 1,854,700
Community services block grants.....		27,068,000
Weatherization assistance.....		18,418,700
GROSS APPROPRIATION.....		\$ 47,341,400
Appropriated from:		
Federal revenues:		
Total federal revenues.....		47,341,400
Special revenue funds:		
State general fund/general purpose.....		\$ 0

Adult and family services (vulnerable).

Sec. 105. ADULT AND FAMILY SERVICES

(VULNERABLE)

Full-time equated classified positions.....	47.2	
Executive direction and support—6.0 FTE positions.....		\$ 505,900
Domestic violence prevention and treatment—5.5 FTE positions....		14,704,000
Rape prevention and services.....		2,600,000
Guardian contract.....		600,000
Adult services policy and administration—6.0 FTE positions.....		609,300
Income support policy and administration—29.7 FTE positions.....		5,663,500
Employment and training support services.....		30,137,000
Wage employment verification reporting.....		848,700
Urban and rural empowerment/enterprise zones.....		100
Nutrition education.....		8,569,900
Marriage initiative.....		2,475,000
Fatherhood initiative.....		1,725,000
Crisis prevention and elder law of Michigan food for the elderly proj- ect.....		370,000
GROSS APPROPRIATION.....		\$ 68,808,400

For Fiscal Year
Ending Sept. 30,
2007

Appropriated from:	
Federal revenues:	
Total federal revenues	\$ 49,985,000
Special revenue funds:	
State general fund/general purpose	\$ 18,823,400

Child and family services (vulnerable).

Sec. 106. CHILD AND FAMILY SERVICES

(VULNERABLE)

Full-time equated classified positions	85.4	
Salaries and wages—29.7 FTE positions		\$ 1,768,900
Contractual services, supplies, and materials		948,700
Refugee assistance program—2.9 FTE positions		12,700,300
Foster care payments		131,709,300
Wayne County foster care payments.....		56,488,300
Adoption subsidies.....		232,705,300
Adoption support services—7.7 FTE positions		14,354,700
Youth in transition—2.0 FTE positions		13,363,100
Interstate compact		231,600
Children’s benefit fund donations		21,000
Teenage parent counseling—2.3 FTE positions		3,815,800
Families first		16,946,700
Child safety and permanency planning		16,286,700
Strong families/safe children		13,395,300
Child protection/community partners—18.3 FTE positions		5,539,400
Zero to three		3,843,800
Family group decision making		2,454,700
Family reunification program.....		3,977,100
Family preservation and prevention services administration— 14.5 FTE positions.....		2,252,300
Black child and family institute		100,000
Children’s trust fund administration—8.0 FTE positions.....		761,000
Children’s trust fund grants		3,825,100
ECIC, early childhood investment corporation		100
Attorney general contract.....		3,209,200
Prosecuting attorney contracts.....		1,061,700
GROSS APPROPRIATION.....		\$ 541,760,100

Appropriated from:	
Federal revenues:	
Total federal revenues	331,148,200
Special revenue funds:	
Private - children’s benefit fund donations.....	21,000
Private - collections.....	2,802,600
Local funds - county chargeback	24,742,900
Children’s trust fund.....	3,535,300
State general fund/general purpose	\$ 179,510,100

For Fiscal Year
Ending Sept. 30,
2007

Juvenile justice services (safety).

Sec. 107. JUVENILE JUSTICE SERVICES (SAFETY)

Full-time equated classified positions.....	714.5	
High security juvenile services—311.0 FTE positions.....		\$ 28,286,000
Medium security juvenile services—254.0 FTE positions.....		19,607,400
Low security juvenile services—34.0 FTE positions.....		3,022,800
Community juvenile justice centers—37.0 FTE positions.....		3,408,700
Child care fund.....		195,000,000
Child care fund administration—5.8 FTE positions.....		748,300
County juvenile officers.....		3,765,600
Community support services—2.0 FTE positions.....		1,492,200
Juvenile justice field staff, administration and maintenance— 50.0 FTE positions.....		8,033,500
Federally funded activities—13.7 FTE positions.....		1,816,200
W.J. Maxey memorial fund.....		45,000
Juvenile accountability incentive block grant—3.0 FTE positions ...		2,606,700
Committee on juvenile justice administration—4.0 FTE positions...		496,500
Committee on juvenile justice grants.....		5,000,000
GROSS APPROPRIATION.....		\$ 273,328,900
Appropriated from:		
Federal revenues:		
Total federal revenues.....		98,553,100
Special revenue funds:		
Total private revenues.....		645,000
Local funds - state share education funds.....		3,000,000
Local funds - county chargeback.....		26,742,800
State general fund/general purpose.....		\$ 144,388,000

Local office staff and operations (vulnerable).

Sec. 108. LOCAL OFFICE STAFF AND OPERATIONS

(VULNERABLE)

Full-time equated classified positions.....	8,023.9	
Field staff, salaries and wages—7,875.1 FTE positions.....		\$ 381,563,200
Contractual services, supplies, and materials.....		17,945,900
Medical/psychiatric evaluations.....		4,300,000
Donated funds positions—11.0 FTE positions.....		829,500
Training and program support—49.0 FTE positions.....		7,022,200
Food stamp reinvestment—78.8 FTE positions.....		11,315,300
Wayne County gifts and bequests.....		100,000
Volunteer services and reimbursement.....		1,544,900
SSI advocates—10.0 FTE positions.....		853,900
GROSS APPROPRIATION.....		\$ 425,474,900
Appropriated from:		
Interdepartmental grant revenues:		
IDG from DCH - medical services administration.....		1,389,400
ADJUSTED GROSS APPROPRIATION.....		\$ 424,085,500
Appropriated from:		
Federal revenues:		
Total federal revenues.....		252,381,400

For Fiscal Year
Ending Sept. 30,
2007

Special revenue funds:		
Local funds - donated funds.....	\$	214,300
Private funds - donated funds.....		178,200
Private funds - Wayne County gifts		100,000
Private funds - hospital contributions.....		1,910,300
Supplemental security income recoveries		853,900
State general fund/general purpose	\$	168,447,400

Disability determination services (vulnerable).

Sec. 109. DISABILITY DETERMINATION SERVICES

(VULNERABLE)

Full-time equated classified positions	568.4	
Disability determination operations—545.9 FTE positions.....		\$ 80,510,700
Medical consultation program—18.4 FTE positions		2,942,600
Retirement disability determination—4.1 FTE positions.....		813,700
GROSS APPROPRIATION		\$ 84,267,000

Appropriated from:

Interdepartmental grant revenues:

IDG from DMB - office of retirement systems.....		1,102,700
ADJUSTED GROSS APPROPRIATION.....	\$	83,164,300

Appropriated from:

Federal revenues:

Total federal revenues		80,189,700
Special revenue funds:		
State general fund/general purpose	\$	2,974,600

Central support accounts (vulnerable, effective government).

Sec. 110. CENTRAL SUPPORT ACCOUNTS (VULNERABLE,

EFFECTIVE GOVERNMENT)

Rent.....	\$	42,481,300
Occupancy charge		9,361,400
Travel.....		5,723,400
Equipment		277,300
Worker's compensation.....		4,231,000
Advisory commissions.....		17,900
Human resources optimization user charges.....		634,500
Payroll taxes and fringe benefits.....		244,029,900
GROSS APPROPRIATION	\$	306,756,700

Appropriated from:

Interdepartmental grant revenues:

IDG from DCH - medical services administration		610,600
ADJUSTED GROSS APPROPRIATION.....	\$	306,146,100

Appropriated from:

Federal revenues:

Total federal revenues		188,526,900
Special revenue funds:		
Local funds - county chargeback		304,400
Private funds - hospital contributions.....		1,019,400
State general fund/general purpose	\$	116,295,400

For Fiscal Year
Ending Sept. 30,
2007

Office of children and adult licensing (safety).

**Sec. 111. OFFICE OF CHILDREN AND ADULT LICENSING
(SAFETY)**

Full-time equated classified positions.....	213.0	
AFC, children's welfare and day care licensure—		
213.0 FTE positions.....		\$ 22,477,400
GROSS APPROPRIATION.....		\$ 22,477,400
Appropriated from:		
Federal revenues:		
Total federal revenues.....		11,813,900
Special revenue funds:		
Licensing fees.....		646,400
Health systems fees and collections.....		115,900
State general fund/general purpose.....		\$ 9,901,200

Public assistance (vulnerable).

Sec. 112. PUBLIC ASSISTANCE (VULNERABLE)

Family independence program.....		\$ 354,710,100
State disability assistance payments.....		32,810,300
Food assistance program benefits.....		1,221,340,900
State supplementation.....		58,801,300
State supplementation administration.....		2,477,100
Low-income home energy assistance program.....		116,451,600
Food bank funding.....		525,000
Homeless shelter contracts.....		11,646,700
Multicultural assimilation funding.....		1,715,500
Indigent burial.....		5,909,300
Emergency services local office allocations.....		21,865,500
Day care services.....		462,381,200
GROSS APPROPRIATION.....		\$ 2,290,634,500
Appropriated from:		
Federal revenues:		
Total federal revenues.....		1,743,163,500
Special revenue funds:		
Child support collections.....		47,710,700
Supplemental security income recoveries.....		9,104,800
Public assistance recoupment revenue.....		5,110,000
State general fund/general purpose.....		\$ 485,545,500

Information technology (vulnerable, effective government).

**Sec. 113. INFORMATION TECHNOLOGY (VULNERABLE,
EFFECTIVE GOVERNMENT)**

Information technology services and projects.....		\$ 84,803,600
Child support automation.....		51,280,300
GROSS APPROPRIATION.....		\$ 136,083,900
Appropriated from:		
Federal revenues:		
Total federal revenues.....		97,231,000

	For Fiscal Year Ending Sept. 30, 2007
Special revenue funds:	
State general fund/general purpose	\$ 38,852,900
Budgetary savings.	
Sec. 114. BUDGETARY SAVINGS	
Budgetary savings.....	\$ (1,000,000)
GROSS APPROPRIATION.....	\$ (1,000,000)
Appropriated from:	
Special revenue funds:	
State general fund/general purpose	\$ (1,000,000)

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Total state spending; payments to local units of government.

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is \$1,265,169,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is \$113,717,400.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HUMAN SERVICES
PERMANENCY FOR CHILDREN

Child care fund.....	\$ 108,430,100
County juvenile officers.....	3,276,000

OPPORTUNITY FOR ADULTS TO LIVE AND WORK IN THE
COMMUNITY

State disability program.....	\$ 2,011,300
TOTAL	\$ 113,717,400

Appropriations subject to MCL 18.1101 to 18.1594.

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

Definitions.

Sec. 203. As used in this article:

- (a) "AFC" means adult foster care.
- (b) "Department" means the department of human services.
- (c) "FTE" means full-time equated.
- (d) "GED" means general educational development.
- (e) "RSDI" means retirement survivors disability insurance.

(f) “SSI” means supplemental security income.

(g) “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.

(h) “Title IV-D” means part D of title IV of the social security act, 42 USC 651 to 655, and 656 to 669b.

(i) “Title IV-E” means part E of title IV of the social security act, 42 USC 670 to 673, 673b to 679, and 679b.

(j) “VA” means veterans affairs.

Billing by department of civil service.

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

Hiring freeze; exceptions.

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

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

Privatization; project plan.

Sec. 207. At least 60 days before beginning any effort to privatize services, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. Sanctions, suspensions, conditions for provisional license status, and other penalties shall not be more stringent for private service providers than for public entities performing equivalent or similar services. Private service providers or licensees shall not be granted preferential treatment or deemed automatically in compliance with administrative rules based on whether they have collective bargaining agreements with direct care workers. Private service providers or licensees without collective bargaining agreements shall not be subjected to additional requirements or conditions of licensure based on their lack of such collective bargaining agreements. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 9 months.

Use of Internet to fulfill reporting requirements.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this article. 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.

Purchase of foreign goods or services.

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

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

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.

Total write-offs and prior year obligations.

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

Food assistance overissuance collections; retention; report.

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

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

(a) An update on federal sanctions and federal requirements for reinvestment due to the food stamp error rate.

(b) Review of the status of training for employees who administer the food assistance program.

(c) An outline of the past year's monthly status of worker to food stamp cases and monthly status of worker to food stamp applications.

(d) Information detailing the effect and change in staffing due to the early retirement option.

(e) Corrective action through policy, rules, and programming being taken to reduce the food stamp error rate.

(f) Any other information regarding the food stamp error rate, including information pertaining to technology and computer applications used for the food assistance program.

Program budgeting line items and salaries and wages line items; report.

Sec. 214. (1) The department shall submit a report to the chairpersons of the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on the details of allocations within program budgeting line items and within the salaries and wages line items in all appropriation units. The report shall include a listing, by account, dollar amount, and fund source, of salaries and wages; longevity and insurance; retirement; contractual services, supplies, and materials; equipment; travel; and grants within each program line item appropriated for the fiscal year ending September 30, 2007.

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

Conflict with or violation of federal regulations; notification to state budget director and legislature; application for waiver.

Sec. 215. (1) If a legislative objective of this article or the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, cannot be implemented without loss of federal financial participation because implementation would conflict with or violate federal regulations, the department shall notify the state budget director, the house and senate appropriations committees, and the house and senate fiscal agencies and policy offices of that fact.

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

Out-of-state travel.

Sec. 217. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2007 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

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

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

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

TANF federal block grant; report.

Sec. 218. (1) 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 within 10 days after presentation of the executive budget.

(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.

Contracts with faith-based organizations; requirements.

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

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

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

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