

For Fiscal Year
Ending Sept. 30,
2007

Michigan occupational safety and health administration.

Sec. 111. MICHIGAN OCCUPATIONAL SAFETY AND

HEALTH ADMINISTRATION

Full-time equated classified positions	229.0	
Occupational safety and health—229.0 FTE positions		\$ 25,846,300
GROSS APPROPRIATION		\$ 25,846,300
Appropriated from:		
Federal revenues:		
DOL, multiple grants for safety and health		12,281,800
Special revenue funds:		
Corporation fees.....		2,202,000
Fees and collections/asbestos		833,900
Licensing and regulation fees.....		1,174,800
Safety education and training fund		7,581,500
Securities fees		1,772,300
State general fund/general purpose		\$ 0

Bureau of worker's and unemployment compensation.

Sec. 112. BUREAU OF WORKER'S AND UNEMPLOYMENT

COMPENSATION

Full-time equated classified positions	1,251.0	
Administration—96.6 FTE positions		\$ 9,584,200
Board of magistrates and appellate commission— 19.4 FTE positions.....		2,887,900
Wage and hour division—35.0 FTE positions		2,983,100
Insurance funds administration—28.0 FTE positions.....		4,485,400
Supplemental benefit fund		1,300,000
Unemployment programs—1,002.7 FTE positions.....		87,519,600
Advocacy assistance program		1,500,000
Special audit and collections program—34.0 FTE positions.....		2,772,100
Training program for agency staff—2.1 FTE positions		1,799,500
Expanded fraud control program—33.2 FTE positions		3,081,900
GROSS APPROPRIATION		\$ 117,913,700
Appropriated from:		
Federal revenues:		
DOL-ETA, employment and training administration.....		646,200
DOL-ETA, unemployment insurance		90,164,200
Federal Reed act funds		4,362,700
Special revenue funds:		
Corporation fees.....		2,472,100
Contingent fund, penalty and interest account.....		10,259,000
Licensing and regulation fees.....		789,700
Second injury fund		2,414,800
Securities fees		2,472,600
Self-insurers security fund.....		1,141,600
Silicosis and dust disease fund		929,000
Worker's compensation administrative revolving fund.....		2,261,800
State general fund/general purpose		\$ 0

For Fiscal Year
Ending Sept. 30,
2007

State office of administrative hearings and rules.

Sec. 113. STATE OFFICE OF ADMINISTRATIVE

HEARINGS AND RULES

Full-time equated classified positions.....	163.0	
Administrative hearings and rules—163.0 FTE positions.....		\$ 21,019,600
GROSS APPROPRIATION.....		\$ 21,019,600
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of community health.....		1,641,200
IDG from department of corrections.....		3,660,400
IDG from department of education.....		1,025,000
IDG from department of environmental quality.....		502,800
IDG from department of human services.....		3,214,300
IDG from department of management and budget.....		40,500
Federal revenues:		
DOL-ETA, unemployment insurance.....		6,101,600
DOL, multiple grants for safety and health.....		195,000
Special revenue funds:		
Construction code fund.....		282,100
Corporation fees.....		351,900
Insurance regulatory fees.....		333,900
Licensing and regulation fees.....		1,074,000
Liquor purchase revolving fund.....		115,200
Manufactured housing commission fees.....		137,900
Public utility assessments.....		1,225,900
Safety education and training fund.....		188,700
Securities fees.....		855,600
Tax tribunal fees.....		73,600
State general fund/general purpose.....		\$ 0

Information technology.

Sec. 114. INFORMATION TECHNOLOGY

Information technology services and projects.....		\$ 43,188,500
GROSS APPROPRIATION.....		\$ 43,188,500
Appropriated from:		
Federal revenues:		
DOL-ETA, unemployment insurance.....		20,754,300
DOL, multiple grants for safety and health.....		268,400
Federal revenues.....		5,852,700
HHS, temporary assistance for needy families.....		176,300
Special revenue funds:		
Bank fees.....		477,300
Boiler fee revenue.....		321,000
Construction code fund.....		925,900
Consumer finance fees.....		194,200
Corporation fees.....		1,760,900
Credit union fees.....		269,300
Elevator fees.....		254,400
Fees and collections/asbestos.....		11,000
Fire service fees.....		510,000

	For Fiscal Year Ending Sept. 30, 2007
Insurance regulatory fees	\$ 697,200
Licensing and regulation fees.....	1,143,900
Liquor purchase revolving fund.....	4,414,700
Manufactured housing commission fees.....	72,400
Michigan state housing development authority fees and charges.....	1,997,000
Motor carrier fees.....	115,900
Public utility assessments	873,100
Safety education and training fund	345,600
Second injury fund	146,500
Securities fees	1,478,900
Self-insurers security fund.....	68,300
Silicosis and dust disease fund	59,300
State general fund/general purpose	\$ 0

Workforce development.

Sec. 115. WORKFORCE DEVELOPMENT

Full-time equated classified positions	903.5
Employment services—246.0 FTE positions.....	\$ 47,821,400
Jobs education training pilot—31.0 FTE positions	12,278,800
Labor market information—52.0 FTE positions.....	6,184,800
Michigan rehabilitation services—513.5 FTE positions	68,875,900
Office of workforce development—61.0 FTE positions	30,796,200
GROSS APPROPRIATION.....	\$ 165,957,100
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of human services	12,278,800
Federal revenues:	
DAG, employment and training.....	178,700
DED-OPSE, multiple grants	1,185,700
DED-OSERS, centers for independent living.....	58,200
DED-OSERS, rehabilitation long-term training	316,900
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants.....	51,774,100
DED-OSERS, state grants for technical related assistance	56,000
DED, Perkins act.....	281,300
DOL-ETA, workforce investment act	7,334,100
DOL, federal funds.....	65,513,300
DOL, ODEP.....	225,000
HHS-SSA, supplemental security income.....	3,633,000
HHS, temporary assistance for needy families.....	3,320,200
Special revenue funds:	
Private - gifts, bequests, and donations	816,000
Local revenue	4,206,400
Local vocational rehabilitation match.....	3,054,000
Contingent fund, penalty and interest account.....	1,781,800
Rehabilitation services fees	1,309,700
Second injury fund	51,500
Student fees.....	308,000
Training materials fees	256,400
State general fund/general purpose	\$ 8,018,000

For Fiscal Year
Ending Sept. 30,
2007

Career education programs.

Sec. 116. CAREER EDUCATION PROGRAMS

Full-time equated classified positions.....	55.0		
Career and technical education—25.0 FTE positions		\$	3,502,700
Postsecondary education—14.0 FTE positions			2,626,900
Adult education—16.0 FTE positions			2,439,100
GROSS APPROPRIATION		\$	<u>8,568,700</u>
Appropriated from:			
Federal revenues:			
Federal revenues			6,544,300
Special revenue funds:			
Private occupational school license fees			422,100
Defaulted loan collection fees			100,000
State general fund/general purpose		\$	<u>1,502,300</u>

Department grants.

Sec. 117. DEPARTMENT GRANTS

Adult basic education.....		\$	20,000,000
Carl D. Perkins grants.....			47,500,000
Focus: HOPE.....			5,860,200
Gear-up program grants.....			3,000,000
Job training programs subgrantees			118,952,700
Personal assistance services			459,500
Vocational rehabilitation client services/facilities.....			55,549,500
Vocational rehabilitation independent living.....			3,079,700
Welfare-to-work programs.....			113,798,600
Fire protection grants			10,910,500
Low-income energy efficiency assistance.....			60,000,000
Liquor law enforcement grants.....			6,000,000
Remonumentation grants.....			14,000,000
GROSS APPROPRIATION		\$	<u>459,110,700</u>
Appropriated from:			
Federal revenues:			
DAG, employment and training			13,000,000
DED-OESE, gear-up			3,000,000
DED-OSERS, centers for independent living.....			450,200
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants			35,797,900
DED-OSERS, rehabilitation services facilities.....			2,272,500
DED-OSERS, supported employment			1,541,300
DED-OSERS, state grants for technical related assistance			2,240,800
DED-OVAE, adult education.....			20,000,000
DED-OVAE, basic grants to states.....			47,500,000
DOL-ETA, workforce investment act			119,602,700
HHS, temporary assistance for needy families.....			82,299,000
HHS-SSA, supplemental security income.....			3,480,600
Special revenue funds:			
Private - gifts, bequests, and donations			400,000

	For Fiscal Year Ending Sept. 30, 2007
Local vocational rehabilitation match	\$ 6,630,500
Local vocational rehabilitation facilities match	1,278,300
Contingent fund, penalty and interest account	1,000,000
Low-income energy efficiency fund	60,000,000
Fire protection fund	3,500,000
Liquor purchase revolving fund	3,710,500
Liquor license revenue	6,000,000
Remonumentation fees	14,000,000
State general fund/general purpose	\$ 31,406,400

Boards, authorities and commissions.

Sec. 118. BOARDS, AUTHORITIES AND COMMISSIONS

Full-time equated classified positions	131.0
MES board of review program—18.0 FTE positions	\$ 2,134,200
Rights-of-way oversight authority—5.0 FTE positions	539,400
Land bank fast track authority—5.0 FTE positions	812,100
Commission on Spanish-speaking affairs—2.0 FTE positions	242,900
Commission on disability concerns—7.0 FTE positions	1,041,900
Commission for the blind—94.0 FTE positions	19,406,000
Utility consumer representation	950,000
Youth low vision program	241,800
GROSS APPROPRIATION	\$ 25,368,300
Appropriated from:	
Federal revenues:	
Federal revenues	14,648,700
DOL-ETA, unemployment insurance	2,134,200
Special revenue funds:	
Private revenues	128,300
Local revenues	521,000
Land bank fast track funds	812,100
METRO authority fund	539,400
State restricted revenues	560,200
Utility consumer representation fund	950,000
State general fund/general purpose	\$ 5,074,400

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 \$394,506,000.00 and state spending from state resources to be paid to local units of government for fiscal

year 2006-2007 is \$51,370,500.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF LABOR AND ECONOMIC GROWTH

Fire protection grants	\$	10,910,500
Liquor law enforcement		6,000,000
Local manufactured housing inspections.....		250,000
Remonumentation grants.....		14,000,000
Fire fighters training council.....		1,710,400
Welfare to work		18,499,600
Total department of labor and economic growth.....	\$	51,370,500

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) "CEO" means chief executive officer of the Michigan economic development corporation.
- (b) "CNS" means the corporation for national services.
- (c) "DAG" means the United States department of agriculture.
- (d) "DED" means the United States department of education.
- (e) "DED-OESE" means the DED office of elementary and secondary education.
- (f) "DED-OPSE" means the DED office of postsecondary education.
- (g) "DED-OSERS" means the DED office of special education rehabilitation services.
- (h) "DED-OVAE" means the DED office of vocational and adult education.
- (i) "Department" means the department of labor and economic growth, including the Michigan strategic fund.
- (j) "Director" means the director of the department of labor and economic growth.
- (k) "DOE" means the United States department of energy.
- (l) "DOE-OEERE" means the DOE office of energy efficiency and renewable energy.
- (m) "DOL" means the United States department of labor.
- (n) "DOL-ETA" means the DOL employment and training administration.
- (o) "DOL-ODEP" means the DOL office of disability employment policy.
- (p) "DOT" means the United States department of transportation.
- (q) "DOT-RSPA" means the DOT research and special programs administration.
- (r) "EEOC" means equal employment opportunity commission.
- (s) "Fiscal agencies" means Michigan house fiscal agency and Michigan senate fiscal agency.
- (t) "FTE" means full-time equated.
- (u) "GED" means general education degree.
- (v) "HHS" means the United States department of health and human services.
- (w) "HHS-SSA" means HHS social security administration.
- (x) "HUD" means the United States department of housing and urban development.

(y) “HUD-CPD” means HUD community planning and development.

(z) “IDG” means interdepartmental grant.

(aa) “MDCH” means the Michigan department of community health.

(bb) “MDEQ” means the Michigan department of environmental quality.

(cc) “MES” means Michigan employment security.

(dd) “SOAHR” means the state office of administrative hearings and rules.

(ee) “Subcommittees” means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.

Billing by department of civil service.

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

Hiring freeze; exceptions.

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

(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 month 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.

Reporting requirements; use of Internet.

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 the 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.

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.

Affirmative action programs.

Sec. 211. The department shall establish and maintain affirmative action programs based on the 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.

Receipt and retention of reports.

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

Technology-related services and projects; user fees.

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

Designation of amounts 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.

Revenue sources; identification.

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

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 house and senate appropriations committees.

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

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.

REGULATORY

Fire services.

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

Funds collected in connection with conservatorship.

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

Funds collected from liquidated corporations.

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

Customized listings of nonconfidential information; availability; fees.

Sec. 304. The department may make available to interested entities otherwise unavailable customized listings of nonconfidential information in its possession, such as names and addresses of licensees, and charge for this information as follows: base fee for 1 to 1,000 records at the cost to the department; 1,001 to 10,000 records at 2.5 cents per record; and 10,001 or more records at .5 cents per record. The revenue received from this service may be used to offset expenses of programs as appropriated in part 1. The balance of this revenue collected and unexpended at the end of the fiscal year shall revert to the appropriate restricted revenue account or fund or, in absence of such an account or fund, to the general fund. The department shall submit an annual report on or before December 1 of each year to the state budget office and the subcommittees that states the amount of revenue received from the sale of information.

Michigan state housing development authority; annual status report.

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

Funds collected for licenses, permits, and other elevator regulation fees.

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

Funds collected for occupational safety and health from fees and collections.

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

Fire services; inspection and plan review fees.

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

<u>Operation and maintenance inspection fee</u>		
<u>Facility type</u>	<u>Facility size</u>	<u>Fee</u>
Hospitals	Any	\$8.00 per bed
<u>Plan review and construction inspection fees for hospitals and schools</u>		
<u>Project cost range</u>	<u>Fee</u>	
\$101,000.00 or less	minimum fee of \$155.00	
\$101,001.00 to \$1,500,000.00	\$1.60 per \$1,000.00	
\$1,500,001.00 to \$10,000,000.00	\$1.30 per \$1,000.00	
\$10,000,001.00 or more	\$1.10 per \$1,000.00	
	or a maximum fee of \$60,000.00.	

Revenue collected from licensing and regulation fees collected by office of commercial services.

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

Unemployment insurance agency and employment service agency; expenditures for staffing and related expenses.

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

Sale of documents.

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

- (a) Corporation and securities division documents, reports, and papers required or permitted by law pursuant to section 1060(5) of the business corporation act, 1972 PA 284, MCL 450.2060.
- (b) The subdivision control manual, the state boundary commission operations manual, and other local government assistance manuals.
- (c) The Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1101 to 436.2303.
- (d) The mobile home commission act, 1987 PA 96, MCL 125.2301 to 125.2349; the business corporation act, 1972 PA 284, MCL 450.1101 to 450.2098; the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192; and the uniform securities act, 1964 PA 265, MCL 451.501 to 451.818.
- (e) Labor law books.
- (f) Worker's compensation health care services rules.
- (g) Construction code manuals.
- (h) Copies of transcripts from administrative law hearings.

Number of individuals killed or injured; report by department.

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

Professional employer organization; use of funds for certain activities prohibited; definition.

Sec. 319. (1) Of the funds appropriated in part 1, no funds shall be used to support the development and enforcement of, or activities that promote the development and enforcement of, guidelines, standards, protocols, audit procedures, or other similar mandates that place additional measures on professional employment organizations than currently prescribed by statute.

(2) From the funds appropriated in part 1 for the bureau of worker's and unemployment compensation, the department shall allocate funds to administer the current section 22b of the Michigan employment security act, 1939 (Ex Sess) PA 1, MCL 421.22b.

(3) As used in this section, a professional employer organization is defined as an organization that provides the management and administration of the human resources and employer risk of another entity by contractually assuming substantial employer rights, responsibilities, and risk through a professional employer agreement that establishes an employer relationship with the leased officers or employees assigned to the other entity by doing all of the following:

(a) Maintaining the right of direction and control of the employees' work, although this responsibility may be shared with the other entity.

(b) Paying wages and employment taxes of the employees out of its own accounts.

(c) Reporting, collecting, and depositing state and federal employment taxes for the employees.

(d) Retaining the right to hire and fire employees.

Michigan commission for the blind; funds for case services; use as tuition payments; carrying forward revenue.

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

(2) Revenue collected by the Michigan commission for the blind and from private and local sources that is unexpended at the end of the fiscal year may carry forward to the subsequent fiscal year.

Administrative law hearings; locations.

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

Low-income/energy efficiency assistance program; report by public service commission.

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

Office of financial and insurance services; division reports.

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

Implementation of prohibitions on use of credit scoring; expenditure of funds prohibited.

Sec. 337. The department shall not expend funds from the appropriations in part 1 for the office of financial and insurance services for the purpose of implementing prohibitions on the use of credit scoring in establishing insurance premiums by insurance companies until the legislature has, by statute, authorized such a prohibition.

Financial filings of health maintenance organizations; providing copies to fiscal agencies.

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

Surplus consumer finance fee revenues.

Sec. 341. For the fiscal year ending September 30, 2007, surplus consumer finance fee revenues of \$7,000,000.00 are hereby appropriated to the state general fund.

Senior assisted living; use of Michigan state housing development authority fund equity.

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

Adverse determination by health carrier; right of participant to request external review; "covered person" defined.

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

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

Real estate continuing education courses; report; website; approvals; report of completion via electronic methods.

Sec. 351. (1) The department shall issue a report to the subcommittees for each calendar year, but not later than February 15 of the following year, showing the date each real estate continuing education course was submitted for approval and the date of final disposition, approval, or denial.

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

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

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

Worker's compensation appellate commissioners and board of magistrates; expenditures.

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

Ergonomics standards; prohibition.

Sec. 355. (1) Of the funds appropriated in part 1, no funds shall be used to support the development of, staffing of, or activities promoting the development of guidelines, rules,

standards, protocols, or other similar mandates that are more stringent than federal voluntary ergonomics guidelines. This section does not prohibit any person from adopting, or working with the state to develop, voluntary ergonomics standards.

(2) On March 1, 2007 and September 1, 2007, the department shall provide a report to the fiscal agencies and appropriations subcommittees of any staffing time or activities regarding the development of a voluntary or mandatory, or both, ergonomic standard, whether contained in rules, guidelines, policy directives, or bulletins.

Identification of matching dollars by Michigan commission for the blind.

Sec. 356. The Michigan commission for the blind shall work collaboratively with service organizations to identify qualified match dollars to maximize use of available federal funds.

Real estate law and rules book (red book).

Sec. 357. From the funds appropriated in part 1 for commercial services, the department shall allocate \$50,000.00 for the resumption of printing the real estate law and rules book (red book). The red book shall include, but is not limited to, real estate laws and regulations and related statutes. The red book will be provided at no charge to actively licensed real estate brokers, associate brokers, and salespersons. Any other party seeking a copy of the red book may purchase the book from the bureau of commercial services at the bureau's cost to produce the book or they may print the bureau's Internet version of the red book at no cost.

Prelicensure and postlicensure education; delivery through on-line courses.

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

Land bank fast track authority; expenditures.

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

Boxing regulation; administration and enforcement.

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

Costs allocated for broadband development authority; report.

Sec. 364. The department shall provide a report to the chairs of the appropriations subcommittees on labor and economic growth by January 1 on the total administrative costs allocated for the broadband development authority. These costs should include all staffing and other related costs associated with contracts. The report shall also include

any payments to date for reimbursement to the Michigan state housing development authority. If no payments have been made, then the report shall include a detailed plan outlining the reimbursement schedule.

Industrial-related comprehensive training and technical assistance program.

Sec. 365. From the funds appropriated in part 1 for occupational safety, not less than \$40,000.00 shall be allocated to nonprofit organizations representing the aggregate industry in Michigan in a grant for an industrial-related comprehensive training and technical assistance program. Such funds shall be subject to the conditions established by the Michigan occupational safety and health administration.

Workers' compensation administration; funding.

Sec. 366. It is the intent of the legislature to fund the workers' compensation administration with general fund money.

Publication and distribution costs.

Sec. 368. Funds collected by the department under sections 55, 57, 58, and 59 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.255, 24.257, 24.258, and 24.259, and section 203 of the legislative council act, 1986 PA 268, MCL 4.1203, are appropriated for all expenses necessary to provide for the cost of publication and distribution. The funds appropriated under this section are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Cases under jurisdiction of office of financial and insurance services; report of administrative decisions.

Sec. 372. (1) The office of financial and insurance services shall report to the legislature, fiscal agencies, and office of the auditor general quarterly, beginning January 1, 2007, with a summary of final decisions or recommendations, or both, rendered by SOAHR administrative law judges, SOAHR administrative law managers, and hearing officers for cases under the jurisdiction of the office of financial and insurance services.

(2) The report shall be organized by case types.

(3) The report shall indicate whether the SOAHR administrative law judge, SOAHR administrative law manager, or hearing officer made a final decision or recommended a decision in favor of the office of financial and insurance services in whole or in part, or if the parties negotiated a settlement. The report shall also delineate if the director agreed or disagreed with the recommendation of the SOAHR administrative law judges, SOAHR administrative law manager, or hearing officer.

(4) The report shall include how long each case took from the date of the original filing until the issuance of a decision or recommendation by the SOAHR administrative law judge, SOAHR administrative law manager, or hearing officer.

Changes in minimum wage; report on number of employer and employee inquiries.

Sec. 373. The department shall report by November 1 to the appropriations subcommittees, the fiscal agencies, and the state budget director on the number of employer and employee inquiries by quarter for the fiscal year 2005-2006 concerning changes in the minimum wage as a result of 2006 PA 81. The same report shall be prepared and submitted quarterly for the fiscal year 2006-2007.

WORKFORCE AND CAREER DEVELOPMENT**Receipt of equipment and in-kind contributions for support of staff services.**

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

Michigan rehabilitation service; use of sources of matching funds.

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

Vocational rehabilitation facilities establishment grants; local match requirements; limitation.

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

Centers for independent living; funds; application; review; use; report as condition of receipt of funds; information to be provided; submission of report.

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

(2) As a condition of receipt of funds appropriated in part 1, the statewide independent living council and the Michigan association of centers for independent living shall jointly produce a report providing the following information:

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

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

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

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

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

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

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

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

Work first program.

Sec. 405. (1) The appropriation in part 1 to the department for the work first program shall be expended for grants which provide employment, education, community service, volunteerism options, and training services to department of human services applicants and recipients and may be expended for grants that provide employment, education, community service, volunteerism options, and training services to former family independence program recipients, as well as to recipients of noncash public assistance, specifically child day care, Medicaid, or food stamp benefits. The work first program, however, shall not be construed to be an entitlement to services.

(2) An applicant shall be limited to a Michigan works! agency, a school district, intermediate school district, community college, public or private nonprofit college or university, nonprofit organization that provides school-to-work transition programs or that provides employment and training services or vocational rehabilitation programs or state licensed accredited vocational or technical education programs, proprietary school licensed by the state board of education, local workforce development board, or a consortium consisting of any combination of school districts, intermediate school districts, community colleges, nonprofit organizations described in this subsection, licensed proprietary schools, or public or private nonprofit colleges or universities described in this subsection.

(3) The department and the department of human services shall develop a process, set of procedures, and an instrument for providing confidential screening of individuals during the eligibility determination. Only those individuals identified as ready for employment and training services shall be referred to the work first program. Barriers to employment shall be reported to facilitate further assessment and referral. If no prohibitive barriers to work are found, the individual shall comply with the work first program, or be subject to appropriate penalties.

(4) Work first program participants shall include recipients of the department of human services program established under section 57a of the social welfare act, 1939 PA 280, MCL 400.57a, and such individuals referred to a job club program by a county department of human services board or a county friend of the court as long as the participation in the job club is part of an application submitted under this section.

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

(6) The department will work with the department of human services to coordinate support services to work first participants relating to special/emergency needs.

(7) Work first program participants must receive or be provided an explanation of the program including their benefits and responsibilities before the job interview phase of the program. This explanation shall include clear guidelines with regard to an individual's eligibility for postemployment training support and for applying hours in training toward work requirements.

(8) The department shall make every effort to place a minimum of 50% of clients who participate in the work first program in positions that provide wages of \$8.00 per hour or more. The department, the department of human services, and the Michigan works! agencies shall develop and implement a shared assessment process and evaluation tool to identify barriers that may prevent the participant from obtaining employment in an occupationally relevant and demand-driven occupation and assistance that may be needed to remove the barriers, including transportation, education, and job training.

(9) The department shall submit to the fiscal agencies and the state budget director by March 15 a report on the work first program, including the number of participants served under this section, the number of persons who located employment through work first, the average wage of participants who found employment, the number of persons who retained jobs for 6 months, the number of participants placed in employment training and education programs, the number of clients referred to work first who failed to report, a compilation of barriers to employment by incidence and type experienced by participants, and the number of participants referred back to the department of human services.

(10) The department shall provide to the state budget director and the fiscal agencies by May 15 and November 15 of each year a report on the work first grants. The report due by May 15 shall provide the information described in this subsection for each grant or contract awarded during the preceding 2 quarters of the state fiscal year. The report due by November 15 shall provide this information for each grant or contract awarded during the preceding full fiscal year. The report shall contain both of the following:

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

(b) The number of participants in each service delivery area and all of the following:

(i) The number of clients placed in employment for at least 6 consecutive months in each service delivery area.

(ii) The number of clients obtaining a postsecondary education in each service delivery area.

(iii) The number of clients placed in community service in each service delivery area.

(iv) The number of clients obtaining other education and training credentials.

(11) The department shall make available to work first participants guidelines on eligibility for postemployment training and how training/education hours are applied toward work participation requirements. These guidelines will be presented by the department of human services and the department contracted staff in accordance with department policy issuances and department of human services program bulletins. These guidelines presented by the department and the department of human services shall balance the ability of participants to obtain training and subsequent long-term high-wage employment with the need to connect participants with the workplace. Any and all training/education and community service, with the exception of high school completion and GED preparation, must be occupationally relevant and in demand in the labor market as determined by the workforce development board. Participants must make satisfactory progress to continue in a training/education component.

(12) The work participation requirement is up to 40 hours per week. However, work first participants may meet the work participation requirement by participating in comprehensive basic skills education for the minimum time determined by the assessment and evaluation

provided in subsection (8). A combination of basic skills training, occupational training, and community service up to the maximum determined by the assessment and evaluation provided in subsection (8) may be used to satisfy the work participation requirements. Training/education and community service may last up to 36 months and the calculated hours may include actual classroom seat time up to 15 hours per week plus up to 1 hour of study time for each hour of classroom seat time. Work first participants may enroll in additional hours of classroom seat time beyond 15 hours. However, these hours and the related study time will not count toward the work participation requirement. Assistance may be provided for up to 24 months.

(13) Work first participants may meet the work participation requirement through enrollment in a short-term vocational program requiring 30 hours of classroom seat time per week for a period not to exceed 6 months, or by enrollment in full-time internships, practicums, or clinicals required by an academic or training institution for licensure, professional certification, or degree completion, without an additional work requirement. In cases where a short-term vocational program lasts less than 6 months, the participant shall be eligible to enroll in 1 additional short-term vocational program for a combined period not to exceed a total of 12 months.

(14) Work first participants who lack a high school diploma or GED and who enroll in high school completion or classes to obtain a GED may count up to 10 hours of classroom seat time, combined with a minimum number of hours of work per week, to meet their work participation requirement. There shall be no time limit on high school completion. GED preparation shall be limited to 12 months.

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

(16) Work first participants that are assessed at a reading and/or math skill level of below ninth grade on a standardized assessment will participate in an appropriate comprehensive basic skills education program to address these deficiencies as determined to be appropriate by the assessment and evaluation provided in subsection (8) and the Michigan works! agency identifies local resources to provide the services. The department will work with the department of human services to develop appropriate programs and incentives to increase participation in and successful completion of these programs.

(17) In order to achieve more efficient and effective use of funds for public assistance, to reduce dependency, or to improve the living conditions and increase the incomes of individuals receiving public assistance, the department may establish and conduct pilot projects in 1 or more Michigan works! areas. The department may apply different policies in the pilot programs than it applies in the rest of the Michigan works! area, and may conduct the pilot projects as long as is necessary to provide a reasonable test of the policy being evaluated. Pilot projects shall be consistent with principles and goals set forth in this act.

(18) As used in this section, “work first program” means the jobs, education, and training program.

Study of former work first participants; use of state data sources; notice of Internet site where report located; retention of third party.

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

- (a) The number and percentage employed.

- (b) The average hourly wage of those employed.
 - (c) The current hourly wage of those employed.
 - (d) The range of wages earned by those employed.
 - (e) The number of individuals that earned each wage amount.
 - (f) The number and percentage receiving health care benefits from their employer.
 - (g) The number and percentage receiving tuition reimbursement from their employer.
 - (h) The number and percentage receiving training benefits from their employer.
 - (i) The type of jobs obtained by former participants in general categories.
 - (j) The length of time former participants have retained their jobs, or if participants have had more than 1 job, the length of time employed at each job.
 - (k) The number and percentage continuing to receive any type of public assistance.
 - (l) If the former recipient has children, whether the children are enrolled in and attending school.
 - (m) The extent to which the former participant feels that they and their family are better off now than when they were on cash assistance with regard to household income, housing, food and nutritional needs, child health care, and access to health insurance coverage.
- (2) The department shall notify the subcommittees, fiscal agencies, and state budget director electronically by March 15 of the location of the Internet site where the report containing the identified data is located.
- (3) The department shall cooperate with the department of human services in formulating and acquiring the identified data.
- (4) The department may retain a third party to conduct the studies to obtain the data identified under this section.

Local workforce development boards; expenditure of funds; condition.

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

Michigan works! service center; assignment of disabled veterans outreach program specialist or local veterans employment representative; services to employers wishing to hire a veteran; placement of veterans; priority.

Sec. 410. (1) The department shall have at least 1 disabled veterans outreach program specialist or local veterans employment representative assigned to each Michigan works! service center on a full- or part-time basis during hours of operation.

(2) The department shall ensure that each Michigan works! service center shall have the necessary equipment to allow the disabled veterans outreach specialist or local veterans employment representative to perform his or her duties.

(3) The department shall require each Michigan works! service center to have an employee available to ask each individual who requires intensive services whether that individual is a veteran and to refer each veteran to the disabled veterans outreach program specialist or local veterans employment representative on duty at the time.

(4) The department shall require that each Michigan works! service center shall have posted in a conspicuous place within the office a notice advising veterans that a disabled

veterans outreach program specialist or a local veterans employment representative is available to assist him or her.

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

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

Federal pass-through funds to local institutions and governments.

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

Proprietary schools oversight unit; funding of administrative costs by private occupational school license fees.

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

Future faculty program in Martin Luther King, Jr. - Cesar Chavez - Rosa Parks programs; collection of defaulted loans; costs.

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

Universities receiving funding for future faculty program within King-Chavez-Parks initiative on employment outcomes for program participants; compilation of data.

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

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

King-Chavez-Parks initiative; marketing by department; report.

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

Identification of employees who will lose jobs; training and employment opportunities.

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

Michigan works! service centers; operational funds.

Sec. 426. From the funds appropriated in part 1 to workforce training programs subgrantees, the department shall allocate sufficient funds to the Michigan works! service centers to allow these centers to remain fully operational.

Purchase of low-vision devices or equipment; youth low-vision program as payer of last resort.

Sec. 427. The youth low-vision program is considered the payer of last resort. Other available public or private insurance coverage, including Medicaid or MICHild, and special education funds, shall be exhausted prior to using any funds appropriated in part 1 to purchase low-vision devices or equipment for an individual.

Focus: HOPE; report.

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

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

(2) The report shall be submitted on or before January 31.

ARTICLE 13

MICHIGAN STRATEGIC FUND

PART 1

LINE-ITEM APPROPRIATIONS

Appropriation; Michigan strategic fund.

Sec. 101. There is appropriated for the Michigan strategic fund for the fiscal year ending September 30, 2007, from the funds indicated in this part, the following:

**MICHIGAN STRATEGIC FUND
APPROPRIATION SUMMARY:**

Full-time equated classified positions.....152.0

	For Fiscal Year Ending Sept. 30, 2007
GROSS APPROPRIATION	\$ 80,479,800
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	78,600
ADJUSTED GROSS APPROPRIATION.....	\$ 80,401,200
Federal revenues:	
Total federal revenues	47,687,000
Special revenue funds:	
Total local revenues	0
Total private revenues.....	700,000
Total local and private revenues.....	700,000
Total other state restricted revenues.....	5,000
State general fund/general purpose	\$ 32,009,200

Michigan strategic fund.

Sec. 102. MICHIGAN STRATEGIC FUND

Full-time equated classified positions	152.0
Administration—22.0 FTE positions	\$ 2,451,000
HR optimization user charges.....	17,300
Job creation services—130.0 FTE positions.....	17,496,000
Michigan promotion program	5,717,500
Economic development job training grants.....	9,798,000
Community development block grants	45,000,000
GROSS APPROPRIATION.....	\$ 80,479,800
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDEQ, air quality fees.....	78,600
Federal revenues:	
DOL-ETA, employment service	300,000
HUD-CPD, community development block grant.....	47,387,000
Special revenue funds:	
Private - special project advances	700,000
Industry support fees	5,000
State general fund/general purpose	\$ 32,009,200

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Total state spending; payments to local units of government.

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is \$32,014,200.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is \$9,798,000.00 from the entire appropriation for economic development job training grants.

Appropriations subject to MCL 18.1101 to 18.1594.

Sec. 202. The appropriations made and expenditures authorized under this article and the departments, commissions, boards, offices, and programs for which appropriations are made 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) “DOL-ETA” means the United States department of labor, employment and training administration.
- (b) “FTE” means full-time equated.
- (c) “Fund” means Michigan strategic fund.
- (d) “GF/GP” means general fund/general purpose.
- (e) “HUD” means the United States department of housing and urban development.
- (f) “HUD-CPD” means HUD community planning and development.
- (g) “IDG” means interdepartmental grant.
- (h) “MDEQ” means the Michigan department of environmental quality.
- (i) “MDLEG” means the Michigan department of labor and economic growth.
- (j) “MEDC” means the Michigan economic development corporation, which is the public body corporate created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by contractual interlocal agreement effective April 5, 1999, between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund.
- (k) “PA” means public act.

Billing by department of civil service.

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

Hiring freeze; exceptions.

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

(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 month and the reasons to justify the exception.

Reporting requirements; use of Internet.

Sec. 208. Unless otherwise specified, the fund 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 the 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.

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

Sec. 210. The chair of the fund 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 chair of the fund shall strongly encourage firms with which the fund contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Receipt and retention of reports.

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

Technology-related services and projects; payment of user fees.

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

Designation of information technology amounts as work project; availability for expenditure.

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.

Out-of-state travel; report.

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 house and senate appropriations committees.

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Communication of employee with legislative member or staff.

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

MICHIGAN STRATEGIC FUND

Economic development job training.

Sec. 1001. (1) The appropriation in part 1 to the fund for economic development job training shall be expended in 2 categories: the business response program for employee training grants that maintain or attract permanent jobs for Michigan residents and the manufacturing competitiveness program for grants to fund collaborative efforts that increase the competitiveness of multiple companies within a grant. The business response program is allocated up to \$6,532,000.00, and the manufacturing competitiveness program is allocated up to \$3,266,000.00 not to exceed the part 1 appropriation for this program in its entirety. The fund has the authority to reallocate these amounts during the fiscal year dependent on business demand and economic conditions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

the training shall provide a minimum of 30% of the program costs in matching funds as necessitated by the program.

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

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

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

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

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

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

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

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

(16) As a condition of receiving funds under part 1 of this article, the fund shall not expend any of the economic development job training grant funds to train any employee who is an officer of a corporation in a corporation employing more than 250 employees.

Michigan growth capital fund.

Sec. 1002. The Michigan growth capital fund shall be used to develop the technology business sector in Michigan. The Michigan growth capital fund will be used to encourage private and public investment in the technology business sector, and all of the following apply:

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

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

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

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

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

Travel Michigan; establishment and collection of fee.

Sec. 1003. Travel Michigan may establish and collect a fee to cover the cost of materials and processing of photographic prints, slides, videotapes, and travel product database information that are requested by the media and other segments of the public and private sectors. The fees collected shall be appropriated for all expenses necessary to purchase and distribute these photographic prints, slides, videotapes, and travel product database information. The funds are available for expenditure when they are received by the department of treasury.

Travel Michigan; revenue from licensing of name and image or royalty payments.

Sec. 1004. Travel Michigan may receive and expend private revenue related to the use of the “Michigan Great Lakes. Great Times.” copyrighted slogan and image. This revenue may come from the direct licensing of the name and image or from the royalty payments from various merchandise sales. Revenue collected is appropriated for the marketing of the state as a travel destination. The funds are available for expenditure when they are received by the department of treasury.

List of grant awards.

Sec. 1005. The fund shall submit on or before May 1 and November 1 to the subcommittees, state budget office, and the fiscal agencies a listing of all grants which have been awarded by the fund or by the Michigan economic development corporation from the funds appropriated in part 1. The list shall include all of the following:

- (a) The name of the recipient.
- (b) The amount awarded to the recipient.
- (c) The purpose of the grant.

Activities of Michigan economic development corporation grants and investment programs; list of individual grants and loans; report.

Sec. 1006. (1) The fund shall provide reports to the relevant subcommittees, the state budget director, and the fiscal agencies concerning the activities of the Michigan economic development corporation grants and investment programs financed from the fund using investment or Indian gaming revenues. The report shall provide a list of individual grants and loans made from the fund. The report shall include, but not be limited to, the following programs funded in part 1:

- (a) Travel Michigan.
- (b) Michigan business development.
- (c) Global business development.
- (d) Small, minority, and disabled business services.
- (e) Community development block grants.
- (f) Strategic fund administration.
- (g) Renaissance zones.
- (h) Emerging business sectors and roundtables.
- (i) Business and clean air ombudsman.
- (j) Economic development job training grants.
- (k) Community assistance team.
- (l) Technology tri-corridor.
- (m) Any other programs of the fund.

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

Contract with private economic development agency.

Sec. 1007. As a condition of receiving funds under part 1, any interlocal agreement entered into by the fund shall include language which states that if a local unit of government has a contract or memorandum of understanding with a private economic development agency, the Michigan economic development corporation will work cooperatively with that private organization in that local area.

Purchase of options on land or purchase of land; conditions; considerations; "economically distressed area" defined.

Sec. 1008. (1) Of the funds appropriated to the fund or through grants to the Michigan economic development corporation, no funds shall be expended for the purchase of options on land or the purchase of land unless at least 1 of the following conditions applies:

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

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

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

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

Expenditures for premiums or advertising material prohibited; exception.

Sec. 1009. The money appropriated in part 1 to the fund is subject to the condition that none is spent for premiums or advertising material involving personal effects or apparel including, but not limited to, T-shirts, hats, coffee mugs, or other promotional items, except travel Michigan.

Disposal of unexpended or unencumbered balance; use of encumbered funds.

Sec. 1010. (1) From the general fund/general purpose appropriations in part 1 to the fund and granted or transferred to the Michigan economic development corporation, any unexpended or unencumbered balance shall be disposed of in accordance with the requirements in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, unless carryforward authorization has been otherwise provided for.

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

Compliance of fund and MEDC.

Sec. 1011. (1) As a condition of receiving funds under part 1, the fund shall ensure that the MEDC and the fund comply with all of the following:

(a) The freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(b) The open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(c) Annual audits of all financial records by the auditor general or his or her designee.

(d) All reports required by law to be submitted to the legislature.

(2) If the MEDC is unable for any reason to perform duties under this article, the fund may exercise those duties.

Prohibited conduct of staff involved in private fund-raising activities.

Sec. 1012. As a condition for receiving the appropriations in part 1, any staff of the Michigan economic development corporation involved in private fund-raising activities shall not be party to any decisions regarding the awarding of grants or tax abatements from the fund, the Michigan economic development corporation, or the Michigan economic growth authority.

Disposition of certain funds distributed as part of core communities fund; report.

Sec. 1013. (1) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination thereof or interest thereon, originally distributed as part of the core communities fund, shall be received, held, and applied by the fund for the purposes described in this article.

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

Urban revitalization infrastructure program; economic development awards; creation; administrative responsibility for Michigan core communities fund; award of funds through open competitive process; criteria; limitation on award amount; notification; prohibitions; report.

Sec. 1014. (1) The funding appropriated in part 1 of 2000 PA 291 for the Michigan core communities fund may be used to create an urban revitalization infrastructure program in the fund for economic development awards to create new jobs or contribute to redevelopment and encourage private investment in core communities.

(2) Awards may be provided to qualified local governmental units as defined in the obsolete property rehabilitation act, 2000 PA 146, MCL 125.2781 to 125.2797, or certified technology parks, as defined in the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174.

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

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

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

(6) Funds will be awarded through an open competitive process based on criteria including the following: project impact, project marketability, lack of adequate infrastructure or land

assembly financing sources, local administrative capacity, and the level of local matching funds. Awardees shall agree to expedite the local development process, such as fast-track permitting procedures, streamlined regulatory requirements, standardized construction and building codes, and the use of competitive construction permitting fees.

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

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

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

(a) Land sited for use as, or support for, a gaming facility.

(b) Land or other facilities owned or operated by a gaming facility.

(c) Publicly owned land or facilities which may directly or indirectly support a gaming facility.

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

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

Members of executive committee subject to advice and consent of senate.

Sec. 1015. It is the intent of the legislature that the members of the executive committee of the corporation board of the MEDC be subject to the advice and consent of the senate.

Number of jobs created by firms receiving grants, tax credits, or other economic incentives; implementation of audit procedures.

Sec. 1016. The Michigan economic development corporation shall work with the office of the auditor general to implement procedures to annually audit the number of jobs claimed to be created by firms receiving Michigan economic growth authority grants, and all other claims of job creation for which MEDC has provided tax credits or other economic incentives.

Employees earning more than certain salary; report.

Sec. 1017. The Michigan economic development corporation shall report on the number of individuals it employs with an annual salary of \$80,000.00 or more to the subcommittees, the fiscal agencies, and the state budget office by October 31, 2007. The report shall include the name, the job title, and a description of the duties and responsibilities of all such employees.

State tourism advertising expenditures; return on investment; study; report.

Sec. 1018. From the funds appropriated in part 1 for the Michigan promotion program, the Michigan economic development corporation shall contract with a state research university in Michigan to conduct a scientific study of the return on investment of state tourism advertising expenditures. The results of this study shall be reported to the subcommittees, the fiscal agencies, and the state budget office by September 30, 2007.

Employees leased from professional employer organization; prevention of credits to qualifying firm prohibited.

Sec. 1019. (1) As a condition of receiving the funds appropriated in part 1, the fund shall ensure that the Michigan economic development corporation and the fund promulgate or create no guidelines, rules, standards, protocols, or other similar mandates that would prevent a firm, which otherwise qualifies for Michigan economic growth authority tax credits, from receiving such credits because the new employees who fill qualified new jobs as defined in the Michigan economic growth authority act of 1995, 1995 PA 24, MCL 207.801 to 207.810, are leased from a professional employer organization.

(2) For purposes of this section, a professional employer organization is defined as an organization that provides the management and administration of the human resources and employer risk of another entity by contractually assuming substantial employer rights, responsibilities, and risk through a professional employer agreement that establishes an employer relationship with the leased officers or employees assigned to the other entity by doing all of the following:

- (a) Maintaining the right of direction and control of the employees' work, although this responsibility may be shared with the other entity.
- (b) Paying wages and employment taxes of the employees out of its own accounts.
- (c) Reporting, collecting, and depositing state and federal employment taxes for the employees.
- (d) Retaining the right to hire and fire employees.

ARTICLE 14

MILITARY AND VETERANS AFFAIRS

PART 1

LINE-ITEM APPROPRIATIONS

Appropriations; military and veterans affairs.

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of military and veterans affairs 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 MILITARY AND VETERANS AFFAIRS
APPROPRIATION SUMMARY:**

Full-time equated unclassified positions	7.0	
Full-time equated classified positions	1,015.0	
GROSS APPROPRIATION		\$ 122,902,600
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		1,664,600
ADJUSTED GROSS APPROPRIATION		\$ 121,238,000
Federal revenues:		
Total federal revenues		51,450,700
Special revenue funds:		
Total local revenues		1,253,100

	For Fiscal Year Ending Sept. 30, 2007
Total private revenues.....	\$ 1,441,300
Total other state restricted revenues.....	26,452,700
State general fund/general purpose	\$ 40,640,200

Headquarters and armories (safety, prepared for jobs).

Sec. 102. HEADQUARTERS AND ARMORIES (SAFETY, PREPARED FOR JOBS)

Full-time equated unclassified positions	7.0
Full-time equated classified positions	123.0
Headquarters and armories—82.5 FTE positions.....	\$ 10,178,900
Human resources optimization user charge.....	60,900
Unclassified military personnel.....	660,300
Military appeals tribunal.....	900
Michigan emergency volunteers	5,000
State active duty.....	85,100
Challenge program—40.5 FTE positions	4,583,900
Homeland security.....	1,000,000
Military family relief fund.....	600,000
GROSS APPROPRIATION.....	\$ 17,175,000

Appropriated from:

Interdepartmental grant revenues:	
IDG, community health	100,000
IDG, challenge grant.....	253,800
IDG, state police	900,000
IDG, human services.....	410,800
Federal revenues:	
DOD-DOA-NGB.....	4,482,800
Special revenue funds:	
Rental fees	350,000
Mackinac Bridge authority	55,000
Private donations.....	800,100
Military family relief fund.....	600,000
Private - parent pay revenue	101,200
Local - school aid fund.....	1,253,100
State general fund/general purpose	\$ 7,868,200

Military training sites and support facilities (safety).

Sec. 103. MILITARY TRAINING SITES AND SUPPORT FACILITIES (SAFETY)

Full-time equated classified positions	200.0
Military training sites and support facilities—200.0 FTE positions... \$	20,627,800
Military training sites and support facilities test projects	100,000
GROSS APPROPRIATION.....	\$ 20,727,800

Appropriated from:

Federal revenues:	
DOD-DOA-NGB.....	18,011,000
Special revenue funds:	
Test project fees	100,000
State general fund/general purpose	\$ 2,616,800

For Fiscal Year
Ending Sept. 30,
2007

Departmentwide appropriations (safety).

Sec. 104. DEPARTMENTWIDE APPROPRIATIONS

(SAFETY)

Departmentwide accounts.....	\$	1,660,100
Special maintenance - state.....		151,200
Special maintenance - federal.....		5,300,000
Military retirement.....		2,973,800
Counternarcotic operations.....		50,000
Starbase grant.....		900,000
GROSS APPROPRIATION.....	\$	11,035,100
Appropriated from:		
Federal revenues:		
DOD-DOA-NGB.....		7,466,100
Federal counternarcotic revenues.....		50,000
State general fund/general purpose.....	\$	3,519,000

Veterans service organizations (vulnerable).

Sec. 105. VETERANS SERVICE ORGANIZATIONS

(VULNERABLE)

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

Grand Rapids veterans' home (health).

Sec. 106. GRAND RAPIDS VETERANS' HOME (HEALTH)

Full-time equated classified positions.....		517.0
Grand Rapids veterans' home—517.0 FTE positions.....	\$	47,479,300
Board of managers.....		665,000
GROSS APPROPRIATION.....	\$	48,144,300
Appropriated from:		
Federal revenues:		
DVA-VHA.....		14,836,400
HHS-Medicaid.....		398,500
HHS-Medicare.....		783,300
Special revenue funds:		
Private - veterans' home post and posthumous funds.....		415,000

		For Fiscal Year Ending Sept. 30, 2007
Income and assessments	\$	14,806,400
Military family relief fund		250,000
Lease revenue		35,000
State general fund/general purpose	\$	16,619,700

D.J. Jacobetti veterans' home (health).

Sec. 107. D.J. JACOBETTI VETERANS' HOME (HEALTH)

Full-time equated classified positions		159.0
D.J. Jacobetti veterans' home—159.0 FTE positions	\$	15,215,600
Board of managers		275,000
GROSS APPROPRIATION	\$	15,490,600
Appropriated from:		
Federal revenues:		
DVA-VHA		4,512,300
HHS-Medicare		388,700
HHS-Medicaid		92,900
Special revenue funds:		
Private - veterans' home post and posthumous funds		125,000
Military family relief fund		150,000
Income and assessments		4,840,400
State general fund/general purpose	\$	5,381,300

Veterans' affairs directorate (vulnerable).

Sec. 108. VETERANS' AFFAIRS DIRECTORATE

(VULNERABLE)

Full-time equated classified positions		16.0
Veterans' affairs directorate administration—3.0 FTE positions	\$	326,000
Veterans' trust fund administration—13.0 FTE positions		1,183,300
Veterans' trust fund grants		3,746,500
GROSS APPROPRIATION	\$	5,255,800
Appropriated from:		
Special revenue funds:		
Michigan veterans' trust fund		4,929,800
State general fund/general purpose	\$	326,000

Information technology (safety).

Sec. 109. INFORMATION TECHNOLOGY (SAFETY)

Information technology services and projects	\$	1,161,700
GROSS APPROPRIATION	\$	1,161,700
Appropriated from:		
Federal revenues:		
DOD-DOA-NGB		113,000
DVA-VHA		306,800
HHS-Medicare		8,900
Special revenue funds:		
Income and assessments		336,100
State general fund/general purpose	\$	396,900

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 \$67,092,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is \$120,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS	
MILITARY TRAINING SITES AND SUPPORT FACILITIES	
Payments in lieu of taxes	\$ 70,000
MICHIGAN VETERANS' TRUST FUND	
County counselor travel expenses	\$ 50,000
TOTAL	\$ 120,000

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

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

(2) The state budget director shall grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause loss of revenue to the state, result

in the inability of the state to receive federal funds, or necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report by the last business day of each month to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous month and the justification for the exception.

Privatization; project plan.

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

Reporting requirements; use of Internet.

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.

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

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

Receipt and retention of reports.

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

Michigan national guard education assistance program.

Sec. 212. (1) Of the funds appropriated in part 1 for military training sites and support facilities, there shall be established a Michigan national guard education assistance program. Disbursements to the educational assistance program shall not exceed \$1,100,000.00 without legislative approval. Under the program, a member of the national guard who is in active service and who enrolls as a full- or part-time student at a public or private state college or university may be eligible to receive up to an equivalent of 50% of the total cost of tuition not to exceed \$2,000.00, as education assistance, in any academic year.

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

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

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

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

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

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

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

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

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

Closing or consolidation of national guard armories; consultation.

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

State military cemeteries in Crawford and Dickinson counties.

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

Technology-related services and projects; payment of user fees.

Sec. 221. 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. These user fees shall be subject to provisions of an interagency agreement between the departments and agencies and the department of information technology.

Information technology; amounts designated as work projects.

Sec. 223. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction

of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Out-of-state travel; exceptions; report.

Sec. 225. (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 standing committees on appropriations.

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Communication of employee with legislative member or staff.

Sec. 226. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Intent to sell department property; notification.

Sec. 227. Sixty days prior to the public announcement of the intention to sell any department property, the department shall submit notification of that intent to the appropriate senate and house appropriations subcommittees and the senate and house fiscal agencies.

HEADQUARTERS AND ARMORIES

Rental of armory or use of distance learning network; fees.

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

Challenge program; private donations; carrying forward unexpended funds; participation fee; condition.

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

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

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

Challenge program; identification of eligible youth.

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

VETERANS SERVICE ORGANIZATIONS

Veterans service organizations; grants; use; eligibility requirements; filings; coordination of veterans benefits counseling; duties of veterans service directors committee and department; report.

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

(2) To receive a grant from the money appropriated in part 1, a veterans service organization shall meet the following eligibility requirements:

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

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

(3) A veterans service organization receiving a grant from the money appropriated in part 1 shall file with the department an accounting of its expenditures, audited and certified by a certified public accountant, within 120 days after the organization's fiscal year end. Each organization shall provide a detailed budget request for the fiscal year ending September 30, 2008 to the department by November 15, 2006. Each veterans service organization shall provide 5 copies of a listing of all service activity, an accounting of recoveries, and a listing of volunteer hours for the fiscal year ending September 30, 2006 to the department by January 31, 2007. The listing of volunteer hours shall include the hours, services, and donations provided to residents of the Grand Rapids veterans' home and the D.J. Jacobetti veterans' home. Each veterans service organization shall provide a copy of the most recent and completed internal revenue service form 990 to the department at the end of the fiscal year ending September 30, 2006. A veterans service organization receiving a grant from the money appropriated in part 1 shall use the forms recommended by the Michigan veterans organizations rehabilitation and veterans service committee for filing reports required by this article. The department shall forward information required under this section to the senate and house fiscal agencies, the senate and house of representatives appropriations subcommittees on military affairs, and the state budget office.

(4) The veterans service directors committee and the department shall take steps to improve the coordination of veterans benefits counseling in the state to maximize the effective and efficient use of taxpayer dollars in this goal and to ensure that every veteran is served.

(5) To accomplish the goal of subsection (4), the veterans service directors committee and the department shall take steps to increase their responsibility in the administration, management, oversight, and outreach of the delivery of services to veterans. The veterans service directors committee and the department shall involve county veterans counselors and representatives from the Michigan veterans trust fund to work in concert to identify, implement, and evaluate steps to do all of the following:

(a) Increase the veterans service directors committee and the department's role in working directly with the United States department of veterans' affairs to enhance the delivery of services to Michigan veterans.

(b) Increase the number of initial claims filed with the United States department of veterans' affairs on behalf of veterans for service-connected disability or pension benefits. The veterans service directors committee and the department may work toward either an absolute increase of approved claims or an increase in the percentage of Michigan veterans with approved claims.

(c) Develop methods to increase rates of recovery paid by the United States department of veterans' affairs to Michigan veterans either by an increase in compensation paid per approved claim or increase in compensation paid on a per capita basis.

(d) Expand training opportunities for veterans service organization service officers.

(e) Increase either the number or percentage of Michigan veterans enrolled in the VA health care system.

(f) Publicize the availability, benefit, and value of burial in the Fort Custer and Great Lakes national cemeteries.

(g) Review each grant recipient's performance under the program and require that performance be a major consideration in the future funding of each grant recipient.

(h) Identify areas of redundancy which may exist among services provided by veterans service organizations grantees, Michigan veterans trust fund county committees, and county veterans counselors and provide a proposal on how any redundancies may be minimized and identify specific cost savings which could result.

(6) The veterans service directors committee and the department shall create a report of the efforts to complete the goals outlined in this section and shall provide suggestions on how a more effective and efficient veterans' benefits counseling program may best be designed for implementation for fiscal year 2007-2008. This report shall be delivered to the house and senate appropriations subcommittees no later than March 1, 2007.

VETERANS' HOMES

Grand Rapids veterans' home and D.J. Jacobetti veterans' home; use of appropriations.

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

Annual report.

Sec. 602. The Grand Rapids veterans' home and the D.J. Jacobetti veterans' home, together with the department and the department of management and budget, shall produce and deliver to the senate and house of representatives appropriations subcommittees on state police and military affairs an annual written report. The report shall include an accounting of member populations and bed space available; a description and accounting of services and activities provided to members; financial information; current state nursing home licensure status; the steps required for Medicaid certification, including a listing of any personnel, equipment, supplies, or budgetary increases required; and whether or not steps are being taken toward Medicaid certification. The annual report shall be submitted to the senate and house of representatives appropriations subcommittees on military affairs no later than February 1, 2007.

Boards of managers; expenditures; use.

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

VETERANS' TRUST FUND

Michigan veterans' trust fund; annual report.

Sec. 703. By April 1, 2007, the department shall submit to the senate and house of representatives appropriations subcommittees on military affairs and the state budget office a detailed annual report of the Michigan veterans' trust fund for fiscal year 2005-2006. The report shall include information on grants provided from the emergency grant program,

including details concerning the methodology of allocations, the selection of emergency grant program authorized agents, and a detailed breakdown of trust fund expenditures for that year. The report shall also provide an update on the department’s efforts to reduce program administrative costs and restore the Michigan veterans trust fund corpus to its original amount of \$50,000,000.00.

Training for county veterans counselors.

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

ARTICLE 17

STATE POLICE

PART 1

LINE-ITEM APPROPRIATIONS

Appropriations; department of state police.

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of state police 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 STATE POLICE

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	3.0	
Full-time equated classified positions	2,900.0	
GROSS APPROPRIATION		\$ 569,288,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		22,642,400
ADJUSTED GROSS APPROPRIATION		\$ 546,646,100
Federal revenues:		
Total federal revenues		169,305,000
Special revenue funds:		
Total local revenues		8,088,900
Total private revenues		80,300
Total state restricted revenues		119,873,200
State general fund/general purpose		\$ 249,298,700

Executive direction.

Sec. 102. EXECUTIVE DIRECTION

Full-time equated unclassified positions	3.0	
Full-time equated classified positions	39.0	
Unclassified positions		\$ 238,300
Executive direction—34.0 FTE positions		3,720,400
Auto theft prevention program—5.0 FTE positions		10,729,400
GROSS APPROPRIATION		\$ 14,688,100

For Fiscal Year
Ending Sept. 30,
2007

Appropriated from:	
Special revenue funds:	
Auto theft prevention fund.....	\$ 10,729,400
State general fund/general purpose	\$ 3,958,700

Departmentwide appropriations.

Sec. 103. DEPARTMENTWIDE APPROPRIATIONS

Special maintenance and utilities.....	\$ 447,600
Rent and building occupancy charges.....	9,039,600
Worker's compensation.....	2,917,000
Fleet leasing	13,919,200
In-service training	850,000
Narcotics investigation funds	265,000
GROSS APPROPRIATION.....	\$ 27,438,400

Appropriated from:

Interdepartmental grant revenues:	
IDG, training academy charges	255,200
IDT, Michigan justice training fund.....	850,000
Federal revenues:	
Federal narcotics investigation revenues	95,000
DOT.....	22,700
DHS.....	10,400
Special revenue funds:	
Forensic science reimbursement fee.....	90,600
Narcotics investigation revenues.....	170,000
State forensic laboratory fund.....	90,600
Criminal justice information center service fees	179,500
Secondary road patrol and training fund	2,900
Hazardous materials training center fees	73,500
Michigan justice training fund.....	5,800
Motor carrier fees.....	6,700
Highway safety fund.....	7,200
Traffic law enforcement and safety fund	14,200
State general fund/general purpose	\$ 25,564,100

Support services.

Sec. 104. SUPPORT SERVICES

Full-time equated classified positions.....	208.0
Human resources—26.0 FTE positions	\$ 2,254,800
Human resources optimization user charges.....	173,600
Management services—112.0 FTE positions.....	11,910,800
Training administration—37.0 FTE positions	5,638,800
Communications—8.0 FTE positions	3,171,500
Budget and financial services—25.0 FTE positions.....	2,180,600
GROSS APPROPRIATION.....	\$ 25,330,100

Appropriated from:

Interdepartmental grant revenues:	
IDT, auto theft funds	25,800

	For Fiscal Year Ending Sept. 30, 2007
IDG, training academy charges	\$ 3,121,100
IDT, truck safety fund.....	4,900
IDG-MDOT, state trunkline fund	34,600
IDG-MDTR, casino gaming fees	33,400
IDG-MDTR, emergency telephone fund coordinator.....	411,200
IDG-MDTR, emergency telephone fund operations	411,200
IDG-MDOC, contract	1,039,600
Federal revenues:	
DOT.....	205,600
Special revenue funds:	
Local - LEIN fees	248,900
Highway safety fund.....	137,700
Auto theft prevention fund.....	4,900
Nuclear plant emergency planning reimbursement.....	3,400
Precision driving track fees	287,100
Criminal justice information center service fees	411,900
Traffic law enforcement and safety fund	237,800
Reimbursed services	1,326,800
Forensic science reimbursement fees	30,200
Motor carrier fees.....	170,100
State general fund/general purpose	\$ 17,183,900

Highway safety planning.

Sec. 105. HIGHWAY SAFETY PLANNING

Full-time equated classified positions.....	26.0	
State program planning and administration—14.0 FTE positions....		\$ 1,227,200
Grants to local governments and nonprofit organizations		4,500,000
Secondary road patrol program—2.0 FTE positions		14,024,700
Truck safety program—2.0 FTE positions		2,996,300
Highway traffic safety coordination—8.0 FTE positions.....		6,089,800
GROSS APPROPRIATION.....		\$ 28,838,000

Appropriated from:

Federal revenues:	
DOT.....	10,707,300
DOJ.....	573,200
Special revenue funds:	
Truck driver safety fund	2,996,300
Secondary road patrol and training fund	14,024,700
State general fund/general purpose	\$ 536,500

Criminal justice information center.

Sec. 106. CRIMINAL JUSTICE INFORMATION CENTER

Full-time equated classified positions.....	94.0	
Criminal justice information center division—77.0 FTE positions ...		\$ 10,679,600
Criminal records improvement—1.0 FTE position		4,745,600
Traffic safety—16.0 FTE positions		2,781,400
GROSS APPROPRIATION.....		\$ 18,206,600

For Fiscal Year
Ending Sept. 30,
2007

Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDOS	\$ 320,900
IDG-MDOT, state trunkline fund	467,400
Federal revenues:	
DOJ.....	4,745,600
DOT.....	1,436,600
Special revenue funds:	
Traffic crash revenue	76,400
Sex offender registration fund	264,000
Criminal justice information center service fees	9,933,900
State general fund/general purpose	\$ 961,800

Forensic sciences.

Sec. 107. FORENSIC SCIENCES

Full-time equated classified positions	220.0	
Laboratory operations—180.0 FTE positions	\$ 19,384,700	
DNA analysis program—40.0 FTE positions	8,836,900	
GROSS APPROPRIATION	\$ 28,221,600	

Appropriated from:	
Federal revenues:	
DOJ.....	3,966,100
Special revenue funds:	
Forensic science reimbursement fees	2,258,800
State forensic laboratory fund.....	1,766,300
State general fund/general purpose	\$ 20,230,400

Michigan commission on law enforcement standards.

Sec. 108. MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS

Full-time equated classified positions	28.0	
Standards and training—22.0 FTE positions	\$ 2,138,200	
Justice training grants—4.0 FTE positions	9,096,200	
Concealed weapons enforcement training	140,000	
Training only to local units—2.0 FTE positions	845,700	
Officer's survivor tuition program.....	48,500	
Public safety officers benefit program.....	150,000	
GROSS APPROPRIATION	\$ 12,418,600	

Appropriated from:	
Federal revenues:	
DOJ.....	180,600
Special revenue funds:	
Secondary road patrol and training fund	845,700
Michigan justice training fund.....	9,218,000
Licensing fees	5,200
Concealed weapons enforcement fee.....	140,000
State general fund/general purpose	\$ 2,029,100

For Fiscal Year
Ending Sept. 30,
2007

Emergency management.

Sec. 109. EMERGENCY MANAGEMENT

Full-time equated classified positions.....	72.0	
Emergency management planning and administration—		
55.0 FTE positions.....		\$ 4,614,900
Grants to local government		2,482,100
FEMA program assistance—3.0 FTE positions		1,012,100
Nuclear power plant emergency planning—6.0 FTE positions		1,288,900
Hazardous materials transportation—1.0 FTE position		583,800
Hazardous materials programs—7.0 FTE positions		121,753,200
GROSS APPROPRIATION.....		\$ 131,735,000
Appropriated from:		
Federal revenues:		
DOT.....		583,800
DHS.....		126,395,800
Special revenue funds:		
Nuclear plant emergency planning reimbursement.....		1,288,900
Hazardous materials training center fees		1,389,200
State general fund/general purpose		\$ 2,077,300

Post uniform services.

Sec. 110. POST UNIFORM SERVICES

Full-time equated classified positions.....	1,580.0	
Uniform services—424.0 FTE positions.....		\$ 43,430,000
Security guards—15.0 FTE positions.....		1,054,700
Reimbursed services.....		1,628,000
At-post troopers—1,141.0 FTE positions.....		131,402,300
GROSS APPROPRIATION.....		\$ 177,515,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDMB, building occupancy charges		648,400
Federal revenues:		
DOJ.....		723,300
Special revenue funds:		
Highway safety fund.....		15,451,400
Traffic law enforcement and safety fund		37,803,000
State police service fees		1,628,000
State general fund/general purpose		\$ 121,260,900

Statewide field operations.

Sec. 111. STATEWIDE FIELD OPERATIONS

Full-time equated classified positions.....	49.0	
Operational support—34.0 FTE positions.....		\$ 3,178,600
Traffic services—10.0 FTE positions.....		3,741,000
Aviation program—5.0 FTE positions.....		1,143,100
GROSS APPROPRIATION.....		\$ 8,062,700
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDOC, contract		93,000

	For Fiscal Year Ending Sept. 30, 2007
Federal revenues:	
DOT	\$ 1,760,100
Special revenue funds:	
Private donations	80,300
Rental of department aircraft	175,900
Drunk driving prevention and training fund	1,265,000
State general fund/general purpose	\$ 4,688,400

Special investigations.

Sec. 112. SPECIAL INVESTIGATIONS

Full-time equated classified positions	370.0
Criminal investigations—254.0 FTE positions	\$ 32,144,300
Federal antidrug initiatives—62.0 FTE positions	11,157,800
Reimbursed services, materials, and equipment	2,613,600
Auto theft prevention—9.0 FTE positions	1,595,900
Casino gaming oversight—32.0 FTE positions	4,184,200
Fire investigation—13.0 FTE positions	1,385,000
Fire investigation training to locals	50,000
GROSS APPROPRIATION	\$ 53,130,800
Appropriated from:	
Interdepartmental grant revenues:	
IDT, auto theft funds	1,299,800
IDG-MDTR, casino gaming fees	4,184,200
IDG-MDCH, tobacco tax	610,000
Federal revenues:	
Federal investigations - reimbursed services	742,700
DOJ	8,314,700
Federal narcotics investigation revenues	443,200
Special revenue funds:	
Local - reimbursed services	1,870,900
Narcotics investigation revenues	648,800
Forfeiture funds	450,400
State general fund/general purpose	\$ 34,566,100

Motor carrier enforcement.

Sec. 113. MOTOR CARRIER ENFORCEMENT

Full-time equated classified positions	214.0
Motor carrier enforcement—106.0 FTE positions	\$ 10,097,700
Truck safety enforcement team operations—10.0 FTE positions	1,284,900
Safety inspections—64.0 FTE positions	7,900,800
School bus inspections—16.0 FTE positions	1,340,000
Safety projects—18.0 FTE positions	2,044,500
GROSS APPROPRIATION	\$ 22,667,900
Appropriated from:	
Interdepartmental grant revenues:	
IDT, truck safety fund	1,284,900
IDG-MDOT, state trunkline fund	7,430,900
Federal revenues:	
DOT	8,365,200

	For Fiscal Year Ending Sept. 30, 2007
Special revenue funds:	
Local - school bus revenue	\$ 1,340,000
Motor carrier fees.....	4,246,900
State general fund/general purpose	\$ 0
 Information technology.	
Sec. 114. INFORMATION TECHNOLOGY	
Information technology services and projects.....	\$ 21,035,700
GROSS APPROPRIATION.....	\$ 21,035,700
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDTR, casino gaming fees	81,800
IDG-MDOT, state trunkline fund	34,100
Federal revenues:	
DOT.....	33,100
Special revenue funds:	
Local - LEIN fees	3,591,400
Local - AFIS fees	37,700
Local - MPSCS subscriber fees.....	1,000,000
Motor carrier fees.....	16,100
State general fund/general purpose	\$ 16,241,500

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 \$369,171,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is \$19,899,200.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF STATE POLICE

OFFICE OF HIGHWAY SAFETY PLANNING

Secondary road patrol program	\$ 13,884,500
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MICHIGAN COMMISSION ON LAW ENFORCEMENT

STANDARDS

Training only to local units	\$ 650,200
Justice training grants.....	4,903,300

SPECIAL INVESTIGATIONS

Fire investigation training for locals.....	50,000
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