

SUBSTITUTE FOR
HOUSE BILL NO. 5816

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, civil service, information technology, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2009; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income

received by the various principal executive departments and state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. Subject to the conditions set forth in this act, the
4 amounts listed in this part are appropriated for the departments of
5 attorney general, civil rights, civil service, information
6 technology, management and budget, state, and treasury, the
7 executive office, the legislative branch, and certain other state
8 purposes, for the fiscal year ending September 30, 2009, from the
9 funds indicated in this part. The following is a summary of the
10 appropriations in this part:

11 **TOTAL GENERAL GOVERNMENT**

12 APPROPRIATION SUMMARY:

13	Full-time equated unclassified positions	46.0
14	Full-time equated classified positions	7,459.7
15	GROSS APPROPRIATION	\$ 3,151,316,800
16	Interdepartmental grant revenues:	
17	Total interdepartmental grants and intradepartmental	
18	transfers	656,958,000
19	ADJUSTED GROSS APPROPRIATION	2,494,358,800
20	Federal revenues:	
21	Total federal revenues	114,545,700
22	Special revenue funds:	
23	Total local revenues	3,098,000
24	Total private revenues	1,265,700

1	Total other state restricted revenues	1,715,834,300
2	State general fund/general purpose	659,615,100
3	Sec. 102. DEPARTMENT OF ATTORNEY GENERAL	
4	(1) APPROPRIATION SUMMARY	
5	Full-time equated unclassified positions.....	6.0
6	Full-time equated classified positions.....	537.0
7	GROSS APPROPRIATION.....	\$ 76,544,600
8	Interdepartmental grant revenues:	
9	Total interdepartmental grants and intradepartmental	
10	transfers	24,301,000
11	ADJUSTED GROSS APPROPRIATION.....	\$ 52,243,600
12	Federal revenues:	
13	Total federal revenues.....	8,050,800
14	Special revenue funds:	
15	Total local revenues.....	0
16	Total private revenues.....	0
17	Total other state restricted revenues.....	11,927,600
18	State general fund/general purpose	\$ 32,265,200
19	(2) ATTORNEY GENERAL OPERATIONS	
20	Full-time equated unclassified positions.....	6.0
21	Full-time equated classified positions.....	537.0
22	Attorney general.....	\$ 124,900
23	Unclassified positions--5.0 FTE positions	476,300
24	Attorney general operations--500.0 FTE positions	70,171,400
25	Child support enforcement--25.0 FTE positions	2,955,200
26	Prosecuting attorneys coordinating council--12.0 FTE	

1	positions	1,996,900
2	Internal audit services.....	<u>47,900</u>
3	GROSS APPROPRIATION.....	\$ 75,772,600
4	Appropriated from:	
5	Interdepartmental grant revenues:	
6	IDG from MDCH, health services.....	1,875,600
7	IDG from MDCH, WIC.....	70,300
8	IDG from MDE.....	289,400
9	IDG from MDEQ.....	1,748,200
10	IDG from MDHS.....	3,345,100
11	IDG from MDLEG, career education services.....	187,000
12	IDG from MDLEG, children's protection registry.....	36,400
13	IDG from MDLEG, financial and insurance services.....	1,107,300
14	IDG from MDLEG, homeowners construction lien recovery	557,000
15	IDG from MDLEG, licensing and regulation fees.....	176,500
16	IDG from MDLEG, Michigan occupational safety and	
17	health	99,200
18	IDG from MDLEG, Michigan state housing development	
19	authority	521,000
20	IDG from MDLEG, remonumentation fees.....	77,900
21	IDG from MDLEG, unemployment insurance agency.....	1,720,200
22	IDG from MDMB, risk management revolving fund.....	1,362,800
23	IDG from MDMVA.....	119,500
24	IDG from MDOC.....	479,100
25	IDG from MDOT, comprehensive transportation fund.....	159,800
26	IDG from MDOT, state aeronautics fund.....	157,700
27	IDG from MDOT, state trunkline fund.....	2,821,100

1	IDG from MDSP.....	708,400
2	IDG from MDSP, Michigan justice training fund.....	325,000
3	IDG from Michigan gaming control board.....	1,090,400
4	IDG from treasury.....	4,646,500
5	IDG from treasury, strategic fund.....	129,800
6	IDG from civil service commission.....	301,400
7	IDG from MDIT.....	188,400
8	Federal revenues:	
9	DAG, state administrative match grant/food stamps	389,500
10	Federal funds.....	2,495,400
11	HHS, medical assistance, medigra nt.....	652,300
12	HHS-OS, state Medicaid fraud control units.....	4,513,600
13	Special revenue funds:	
14	Antitrust enforcement collections.....	653,100
15	Assigned claims assessments.....	120,600
16	Attorney general's operations fund.....	883,900
17	Auto repair facilities fees.....	234,700
18	Franchise fees.....	300,600
19	Game and fish protection fund.....	917,800
20	Liquor purchase revolving fund.....	1,064,600
21	Manufactured housing fees.....	197,200
22	Merit award trust fund.....	408,600
23	Prisoner reimbursement.....	463,000
24	Prosecuting attorneys training fees.....	375,000
25	Public utility assessments.....	1,839,300
26	Real estate enforcement fund.....	552,600
27	Reinstatement fees.....	160,800

1	Retirement funds.....		758,200
2	Second injury fund.....		1,004,500
3	Self-insurers security fund.....		175,200
4	Silicosis and dust disease fund.....		536,200
5	State building authority revenue.....		98,700
6	State lottery fund.....		249,900
7	Utility consumers fund.....		562,400
8	Waterways fund.....		100,700
9	Worker's compensation administrative revolving fund..		270,000
10	State general fund/general purpose.....	\$	31,493,200
11	(3) INFORMATION TECHNOLOGY		
12	Information technology services and projects.....	\$	<u>772,000</u>
13	GROSS APPROPRIATION.....	\$	772,000
14	Appropriated from:		
15	State general fund/general purpose.....	\$	772,000
16	Sec. 103. DEPARTMENT OF CIVIL RIGHTS		
17	(1) APPROPRIATION SUMMARY		
18	Full-time equated unclassified positions.....	5.0	
19	Full-time equated classified positions.....	127.0	
20	GROSS APPROPRIATION.....	\$	14,528,400
21	Interdepartmental grant revenues:		
22	Total interdepartmental grants and intradepartmental		
23	transfers		0
24	ADJUSTED GROSS APPROPRIATION.....	\$	14,528,400
25	Federal revenues:		
26	Total federal revenues.....		2,057,300

1	Special revenue funds:	
2	Total local revenues	0
3	Total private revenues	0
4	Total other state restricted revenues	0
5	State general fund/general purpose	\$ 12,471,100
6	(2) CIVIL RIGHTS OPERATIONS	
7	Full-time equated unclassified positions.....	5.0
8	Full-time equated classified positions.....	127.0
9	Unclassified positions--5.0 FTE positions	\$ 264,700
10	Civil rights operations--127.0 FTE positions	13,334,800
11	Internal audit services	<u>68,700</u>
12	GROSS APPROPRIATION	\$ 13,668,200
13	Appropriated from:	
14	Federal revenues:	
15	EEOC, state and local antidiscrimination agency	
16	contracts	1,271,700
17	HUD, grant	770,600
18	State general fund/general purpose	\$ 11,625,900
19	(3) INFORMATION TECHNOLOGY	
20	Information technology services and projects	\$ <u>860,200</u>
21	GROSS APPROPRIATION	\$ 860,200
22	Appropriated from:	
23	Federal revenues:	
24	EEOC, state and local antidiscrimination agency	
25	contracts	15,000
26	State general fund/general purpose	\$ 845,200

1 **Sec. 104. EXECUTIVE OFFICE**

2 **(1) APPROPRIATION SUMMARY**

3	Full-time equated unclassified positions.....	10.0	
4	Full-time equated classified positions.....	74.2	
5	GROSS APPROPRIATION.....		\$ 5,317,300
6	Interdepartmental grant revenues:		
7	Total interdepartmental grants and intradepartmental		
8	transfers		0
9	ADJUSTED GROSS APPROPRIATION.....		\$ 5,317,300
10	Federal revenues:		
11	Total federal revenues.....		0
12	Special revenue funds:		
13	Total local revenues.....		0
14	Total private revenues.....		0
15	Total other state restricted revenues.....		0
16	State general fund/general purpose.....		\$ 5,317,300
17	(2) EXECUTIVE OFFICE OPERATIONS		
18	Full-time equated unclassified positions.....	10.0	
19	Full-time equated classified positions.....	74.2	
20	Governor.....		\$ 177,000
21	Lieutenant governor.....		123,900
22	Executive office--74.2 FTE positions.....		4,166,600
23	Unclassified positions--8.0 FTE positions		<u>849,800</u>
24	GROSS APPROPRIATION.....		\$ 5,317,300
25	Appropriated from:		
26	State general fund/general purpose		\$ 5,317,300

1	Sec. 105. DEPARTMENT OF INFORMATION TECHNOLOGY	
2	(1) APPROPRIATION SUMMARY	
3	Full-time equated unclassified positions.....	3.0
4	Full-time equated classified positions.....	1,657.0
5	GROSS APPROPRIATION.....	\$ 433,992,900
6	Interdepartmental grant revenues:	
7	Total interdepartmental grants and intradepartmental	
8	transfers	433,992,900
9	ADJUSTED GROSS APPROPRIATION.....	0
10	Federal revenues:	
11	Total federal revenues.....	0
12	Special revenue funds:	
13	Total local revenues.....	0
14	Total private revenues.....	0
15	Total other state restricted revenues.....	0
16	State general fund/general purpose.....	\$ 0
17	(2) ADMINISTRATION	
18	Full-time equated unclassified positions.....	3.0
19	Full-time equated classified positions.....	1,657.0
20	Unclassified positions--3.0 FTE positions.....	\$ 300,000
21	Enterprisewide services--69.0 FTE positions	22,746,900
22	Health and human services--720.5 FTE positions	246,499,700
23	Education services--36.0 FTE positions	3,756,700
24	Public protection--284.0 FTE positions	52,855,000
25	Resources services--160.0 FTE positions	17,381,900
26	Transportation services--99.5 FTE positions	28,174,000
27	General services--288.0 FTE positions	<u>62,278,700</u>

1	GROSS APPROPRIATION.....	\$	433,992,900
2	Appropriated from:		
3	Interdepartmental grant revenues:		
4	IDG from department of agriculture.....		1,525,000
5	IDG from department of attorney general.....		772,000
6	IDG from department of civil rights.....		860,200
7	IDG from civil service commission.....		4,289,200
8	IDG from department of community health.....		52,394,800
9	IDG from department of corrections.....		19,105,500
10	IDG from department of education.....		2,820,900
11	IDG from department of environmental quality.....		7,478,800
12	IDG from Michigan gaming control board.....		1,324,000
13	IDG from department of history, arts, and libraries..		1,274,800
14	IDG from department of human services.....		152,570,200
15	IDG from department of labor and economic growth.....		42,853,200
16	IDG from bureau of state lottery.....		4,550,500
17	IDG from department of management and budget.....		28,527,900
18	IDG from department of military and veterans affairs..		1,183,800
19	IDG from department of natural resources.....		8,880,100
20	IDG from department of state.....		24,541,000
21	IDG from department of state police.....		31,344,500
22	IDG from department of transportation.....		28,496,200
23	IDG from department of treasury.....		19,200,300
24	State general fund/general purpose.....	\$	0

25 **Sec. 106. LEGISLATURE**

26 **(1) APPROPRIATION SUMMARY**

1	GROSS APPROPRIATION.....	\$	115,324,900
2	Interdepartmental grant revenues:		
3	Total interdepartmental grants and intradepartmental		
4	transfers		500,000
5	ADJUSTED GROSS APPROPRIATION.....	\$	114,824,900
6	Federal revenues:		
7	Total federal revenues.....		0
8	Special revenue funds:		
9	Total local revenues.....		0
10	Total private revenues.....		400,000
11	Total other state restricted revenues.....		1,109,800
12	State general fund/general purpose.....	\$	113,315,100
13	(2) LEGISLATURE		
14	Senate.....	\$	29,126,400
15	Senate automated data processing.....		2,549,600
16	Senate fiscal agency.....		3,274,600
17	House of representatives.....		45,515,800
18	House automated data processing.....		2,024,900
19	House fiscal agency.....		<u>3,274,600</u>
20	GROSS APPROPRIATION.....	\$	85,765,900
21	Appropriated from:		
22	State general fund/general purpose.....	\$	85,765,900
23	(3) LEGISLATIVE COUNCIL		
24	Legislative council.....	\$	10,206,600
25	Legislative service bureau automated data processing .		1,402,300
26	Worker's compensation.....		133,000
27	National association dues.....		148,900

1	Legislative corrections ombudsman.....	1,250,000
2	Sentencing guidelines commission.....	<u>500,000</u>
3	GROSS APPROPRIATION.....	\$ 13,640,800
4	Appropriated from:	
5	Interdepartmental grant revenues:	
6	IDG from department of corrections.....	500,000
7	Special revenue funds:	
8	Private - gifts and bequests revenues.....	400,000
9	State general fund/general purpose.....	\$ 12,740,800
10	(4) LEGISLATIVE RETIREMENT SYSTEM	
11	General nonretirement expenses.....	\$ <u>4,533,900</u>
12	GROSS APPROPRIATION.....	\$ 4,533,900
13	Appropriated from:	
14	Special revenue funds:	
15	Court fees.....	1,109,800
16	State general fund/general purpose.....	\$ 3,424,100
17	(5) PROPERTY MANAGEMENT	
18	Capitol building.....	\$ 2,552,800
19	Cora Anderson building.....	7,263,600
20	Farnum building and other properties.....	<u>1,567,900</u>
21	GROSS APPROPRIATION.....	\$ 11,384,300
22	Appropriated from:	
23	State general fund/general purpose.....	\$ 11,384,300
24	Sec. 107. LEGISLATIVE AUDITOR GENERAL	
25	(1) APPROPRIATION SUMMARY	
26	GROSS APPROPRIATION.....	\$ 15,853,200

1	Interdepartmental grant revenues:	
2	Total interdepartmental grants and intradepartmental	
3	transfers	1,801,500
4	ADJUSTED GROSS APPROPRIATION	\$ 14,051,700
5	Federal revenues:	
6	Total federal revenues	0
7	Special revenue funds:	
8	Total local revenues	0
9	Total private revenues	0
10	Total other state restricted revenues	1,539,900
11	State general fund/general purpose	\$ 12,511,800
12	(2) LEGISLATIVE AUDITOR GENERAL	
13	Unclassified positions	\$ 313,500
14	Field operations	<u>15,539,700</u>
15	GROSS APPROPRIATION	\$ 15,853,200
16	Appropriated from:	
17	Interdepartmental grant revenues:	
18	IDG from MDMB, civil service commission	107,900
19	IDG from MDLEG, liquor purchase revolving fund	11,300
20	IDG from MDOT, comprehensive transportation fund	25,200
21	IDG from MDOT, Michigan transportation fund	204,300
22	IDG from MDOT, state aeronautics fund	19,600
23	IDG from MDOT, state trunkline fund	474,600
24	IDG, single audit act	958,600
25	Special revenue funds:	
26	Cadillac local development finance authority	12,000
27	Clean Michigan initiative implementation bond fund ...	37,500

1	Commercial mobile radio system emergency telephone	
2	fund	37,500
3	Construction lien fund.....	7,200
4	Contract audit administration fees.....	52,700
5	Correctional industries revolving fund.....	31,300
6	Fee adequacy, air quality delegated authority.....	9,400
7	Game and fish protection fund.....	21,400
8	Legislative retirement system.....	18,700
9	Marine safety fund.....	1,900
10	Michigan economic development corporation.....	41,200
11	Michigan education trust fund.....	30,000
12	Michigan justice training commission fund.....	28,100
13	Michigan state fair revolving fund.....	33,000
14	Michigan state housing development authority fees....	22,100
15	Michigan strategic fund.....	87,500
16	Michigan tobacco settlement authority.....	75,000
17	Michigan veterans' trust fund.....	24,400
18	Motor transport revolving fund.....	4,700
19	Office services revolving fund.....	6,800
20	State disbursement unit, office of child support	25,000
21	State services fee fund.....	926,900
22	Waterways fund.....	5,600
23	State general fund/general purpose	\$ 12,511,800

24 **Sec. 108. DEPARTMENT OF MANAGEMENT AND BUDGET**

25 **(1) APPROPRIATION SUMMARY**

26 Full-time equated unclassified positions..... 7.0

1	Full-time equated classified positions.....	1,426.0	
2	GROSS APPROPRIATION.....		\$ 549,590,900
3	Interdepartmental grant revenues:		
4	Total interdepartmental grants and intradepartmental		
5	transfers		165,468,000
6	ADJUSTED GROSS APPROPRIATION.....		\$ 384,122,900
7	Federal revenues:		
8	Total federal revenues.....		10,669,900
9	Special revenue funds:		
10	Total local revenues.....		1,992,900
11	Total private revenues.....		150,000
12	Total other state restricted revenues.....		77,694,100
13	State general fund/general purpose.....		\$ 293,616,000
14	(2) MANAGEMENT AND BUDGET SERVICES		
15	Full-time equated unclassified positions.....	6.0	
16	Full-time equated classified positions.....	677.5	
17	Unclassified positions--6.0 FTE positions.....		\$ 636,500
18	Executive operations--10.5 FTE positions.....		1,502,100
19	Administrative services--56.5 FTE positions.....		5,313,500
20	Budget and financial management--163.5 FTE positions .		16,749,300
21	Office of the state employer--23.0 FTE positions		2,798,100
22	Design and construction services--40.0 FTE positions .		5,357,400
23	Business support services--88.0 FTE positions		8,958,800
24	Building operation services--250.0 FTE positions		89,004,600
25	Building occupancy charges, rent, and utilities		4,262,000
26	Internal audit services.....		989,100
27	Motor vehicle fleet--46.0 FTE positions		<u>56,920,400</u>

1	GROSS APPROPRIATION.....	\$	192,491,800
2	Appropriated from:		
3	Interdepartmental grant revenues:		
4	IDG from building occupancy and parking charges		91,244,100
5	IDG from department of labor and economic growth		100,000
6	IDG from internal audit services		5,870,400
7	IDG from MDCH		434,300
8	IDG from MDHS		171,400
9	IDG from MDOT, comprehensive transportation fund		49,200
10	IDG from MDOT, state aeronautics fund		31,200
11	IDG from MDOT, state trunkline fund		1,397,800
12	IDG from motor transport fund		56,920,400
13	IDG from user fees		5,325,200
14	Special revenue funds:		
15	Game and fish protection fund		225,500
16	Health management funds		1,735,600
17	Marine safety fund		21,300
18	Special revenue, internal service, and pension trust		
19	funds		9,424,700
20	State building authority revenue		620,600
21	State lottery fund		137,500
22	State services fee fund		89,400
23	Waterways fund		51,800
24	State general fund/general purpose	\$	18,641,400
25	(3) STATEWIDE APPROPRIATIONS		
26	Professional development fund - AFSCME	\$	25,000
27	Professional development fund - MPE, SEIU, scientific,		

1	and engineering unit	125,000
2	Professional development fund - MPE, SEIU, technical	
3	unit	50,000
4	Professional development fund - MSC.....	150,000
5	Professional development fund - NERE.....	<u>50,000</u>
6	GROSS APPROPRIATION.....	\$ 400,000
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	IDG from employer contributions.....	400,000
10	State general fund/general purpose.....	\$ 0
11	(4) SPECIAL PROGRAMS	
12	Full-time equated classified positions.....	176.0
13	Building occupancy charges - property management	
14	services for executive/legislative building	
15	occupancy	\$ 1,275,500
16	Retirement services--164.0 FTE positions.....	16,969,100
17	Office of children's ombudsman--12.0 FTE positions ...	<u>1,489,500</u>
18	GROSS APPROPRIATION.....	\$ 19,734,100
19	Appropriated from:	
20	Special revenue funds:	
21	Deferred compensation.....	1,542,400
22	Pension trust funds.....	15,426,700
23	State general fund/general purpose.....	\$ 2,765,000
24	(5) STATE FAIR	
25	Full-time equated unclassified positions.....	1.0
26	Full-time equated classified positions.....	9.0
27	Unclassified positions--1.0 FTE positions.....	\$ 101,000

1	Michigan state fair operations--9.0 FTE positions	6,415,500
2	Michigan state fair information technology	<u>88,800</u>
3	GROSS APPROPRIATION.....	\$ 6,605,300
4	Appropriated from:	
5	Special revenue funds:	
6	State exposition and fairgrounds fund.....	6,605,300
7	State general fund/general purpose	\$ 0
8	(6) INFORMATION TECHNOLOGY	
9	Information technology services and projects	\$ <u>28,439,100</u>
10	GROSS APPROPRIATION.....	\$ 28,439,100
11	Appropriated from:	
12	Interdepartmental grant revenues:	
13	IDG from building occupancy and parking charges	651,600
14	IDG from MDOT, comprehensive transportation fund	2,100
15	IDG from MDOT, state aeronautics fund.....	1,100
16	IDG from MDOT, state trunkline fund.....	47,500
17	IDG from user fees.....	186,800
18	Special revenue funds:	
19	Deferred compensation.....	2,600
20	Game and fish protection fund.....	9,800
21	Health management funds.....	41,700
22	Marine safety fund.....	900
23	MAIN user charges.....	4,345,600
24	Pension trust funds.....	6,679,000
25	Special revenue, internal service, and pension trust	
26	funds	2,635,000
27	State building authority revenue.....	9,700

1	State lottery fund.....	4,600
2	Waterways fund.....	2,000
3	State general fund/general purpose.....	\$ 13,819,100
4	(7) STATE BUILDING AUTHORITY RENT	
5	State building authority rent - state agencies	\$ 58,616,700
6	State building authority rent - department of	
7	corrections	46,867,700
8	State building authority rent - universities	106,280,900
9	State building authority rent - community colleges ...	<u>20,056,800</u>
10	GROSS APPROPRIATION.....	\$ 231,822,100
11	Appropriated from:	
12	Special revenue funds:	
13	State lottery fund.....	1,520,000
14	State general fund/general purpose	\$ 230,302,100
15	(8) CIVIL SERVICE COMMISSION	
16	Full-time equated classified positions.....	563.5
17	Agency services--118.5 FTE positions	\$ 13,264,400
18	Executive direction--25.0 FTE positions	7,986,600
19	Employee benefits--31.0 FTE positions	5,885,700
20	Audit and compliance--15.0 FTE positions	2,044,000
21	Internal audit services	121,500
22	Training.....	1,300,000
23	Human resources operations--374.0 FTE positions	35,207,100
24	Information technology services and projects	<u>4,289,200</u>
25	GROSS APPROPRIATION.....	\$ 70,098,500
26	Appropriated from:	
27	Interdepartmental grant revenues:	

1	IDG, training charges.....	1,300,000
2	IDG, special funds.....	1,334,900
3	Federal revenues:	
4	Federal funds.....	6,000,900
5	Federal indirect funds.....	4,669,000
6	Special revenue funds:	
7	Local funds.....	1,992,900
8	Private funds.....	150,000
9	Freedom of information fees.....	1,100
10	State restricted funds.....	17,885,200
11	State sponsored group insurance.....	2,650,000
12	State sponsored group insurance, flexible spending	
13	accounts, and COBRA	6,026,100
14	State general fund/general purpose..... \$	28,088,400
15	Sec. 109. DEPARTMENT OF STATE	
16	(1) APPROPRIATION SUMMARY	
17	Full-time equated unclassified positions..... 6.0	
18	Full-time equated classified positions..... 1,809.0	
19	GROSS APPROPRIATION..... \$	206,871,900
20	Interdepartmental grant revenues:	
21	Total interdepartmental grants and intradepartmental	
22	transfers	20,000,000
23	ADJUSTED GROSS APPROPRIATION..... \$	186,871,900
24	Federal revenues:	
25	Total federal revenues.....	1,460,000
26	Special revenue funds:	

1	Total local revenues.....	0
2	Total private revenues.....	100
3	Total other state restricted revenues.....	158,523,800
4	State general fund/general purpose.....	\$ 26,888,000
5	(2) EXECUTIVE DIRECTION	
6	Full-time equated unclassified positions.....	6.0
7	Full-time equated classified positions.....	30.0
8	Secretary of state.....	\$ 124,900
9	Unclassified positions--5.0 FTE positions.....	459,200
10	Operations--30.0 FTE positions.....	<u>2,972,800</u>
11	GROSS APPROPRIATION.....	\$ 3,556,900
12	Appropriated from:	
13	Special revenue funds:	
14	Auto repair facilities fees.....	60,500
15	Driver fees.....	137,600
16	Expedient service fees.....	57,100
17	Parking ticket court fines.....	8,300
18	Personal identification card fees.....	13,400
19	Reinstatement fees - operator licenses.....	146,600
20	Transportation administration collection fund.....	2,069,100
21	Vehicle theft prevention fees.....	35,600
22	State general fund/general purpose.....	\$ 1,028,700
23	(3) DEPARTMENT SERVICES	
24	Full-time equated classified positions.....	157.0
25	Operations--150.0 FTE positions.....	\$ 23,518,000
26	Assigned claims assessments--7.0 FTE positions.....	<u>893,700</u>
27	GROSS APPROPRIATION.....	\$ 24,411,700

1	Appropriated from:		
2	Federal revenues:		
3	Special revenue funds:		
4	Abandoned vehicle fees.....		468,600
5	Assigned claims assessments.....		893,700
6	Auto repair facilities fees.....		415,000
7	Child support clearance fees.....		34,300
8	Driver fees.....		430,100
9	Expedient service fees.....		253,600
10	Marine safety fund.....		76,200
11	Off-road vehicle title fees.....		7,800
12	Parking ticket court fines.....		52,700
13	Personal identification card fees.....		84,800
14	Reinstatement fees - operator licenses.....		549,200
15	Scrap tire fund.....		70,000
16	Snowmobile registration fee revenue.....		18,100
17	Transportation administration collection fund.....		19,138,400
18	Vehicle theft prevention fees.....		243,400
19	State general fund/general purpose.....	\$	1,675,800
20	(4) REGULATORY SERVICES		
21	Full-time equated classified positions..... 211.0		
22	Operations--209.0 FTE positions.....	\$	21,903,900
23	County clerk education and training.....		100,000
24	Motorcycle safety education administration--2.0 FTE		
25	positions		362,400
26	Motorcycle safety education grants.....		1,430,000
27	Internal audit services.....		<u>148,600</u>

1	GROSS APPROPRIATION.....	\$	23,944,900
2	Appropriated from:		
3	Special revenue funds:		
4	Auto repair facilities fees.....		4,144,800
5	Driver education provider and instructor fund.....		72,900
6	Driver fees.....		1,988,500
7	Expedient service fees.....		34,500
8	Motorcycle safety fund.....		1,792,400
9	Notary education and training fund.....		100,000
10	Notary fee fund.....		314,000
11	Parking ticket court fines.....		20,700
12	Personal identification card fees.....		49,500
13	Reinstatement fees - operator licenses.....		1,771,200
14	Transportation administration collection fund.....		11,024,300
15	Vehicle theft prevention fees.....		1,330,900
16	State general fund/general purpose.....	\$	1,301,200
17	(5) CUSTOMER DELIVERY SERVICES		
18	Full-time equated classified positions.....		1,375.0
19	Branch operations--931.0 FTE positions.....	\$	72,235,300
20	Central operations--417.0 FTE positions.....		38,400,100
21	Commemorative license plates--24.0 FTE positions.....		2,147,300
22	Specialty license plates--3.0 FTE positions.....		1,922,000
23	Olympic center plate.....		75,700
24	Organ donor program.....		<u>104,100</u>
25	GROSS APPROPRIATION.....	\$	114,884,500
26	Appropriated from:		
27	Interdepartmental grant revenues:		

1	IDG from MDOT, Michigan transportation fund.....	20,000,000
2	Federal revenues:	
3	Federal funds.....	1,460,000
4	Special revenue funds:	
5	Private funds.....	100
6	Abandoned vehicle fees.....	197,600
7	Auto repair facilities fees.....	93,100
8	Child support clearance fees.....	295,500
9	Driver fees.....	15,771,700
10	Expedient service fees.....	2,423,800
11	Marine safety fund.....	1,188,700
12	Michigan state police auto theft fund.....	118,900
13	Mobile home commission fees.....	476,000
14	Off-road vehicle title fees.....	127,500
15	Parking ticket court fines.....	1,490,500
16	Personal identification card fees.....	1,585,400
17	Reinstatement fees - operator licenses.....	1,188,300
18	Snowmobile registration fee revenue.....	348,100
19	Transportation administration collection fund.....	57,848,200
20	Vehicle theft prevention fees.....	209,500
21	State general fund/general purpose.....	\$ 10,061,600
22	(6) ELECTION REGULATION	
23	Full-time equated classified positions..... 36.0	
24	Election administration and services--36.0 FTE	
25	positions	\$ 4,798,400
26	Fees to local units.....	<u>109,800</u>
27	GROSS APPROPRIATION.....	\$ 4,908,200

1	Appropriated from:	
2	State general fund/general purpose	\$ 4,908,200
3	(7) DEPARTMENTWIDE APPROPRIATIONS	
4	Building occupancy charges/rent	\$ 10,242,700
5	Worker's compensation	<u>382,000</u>
6	GROSS APPROPRIATION	\$ 10,624,700
7	Appropriated from:	
8	Special revenue funds:	
9	Auto repair facilities fees	137,700
10	Driver fees	454,600
11	Expedient service fees	26,300
12	Parking ticket court fines	455,100
13	Transportation administration collection fund	5,978,200
14	State general fund/general purpose	\$ 3,572,800
15	(8) INFORMATION TECHNOLOGY	
16	Information technology services and projects	\$ <u>24,541,000</u>
17	GROSS APPROPRIATION	\$ 24,541,000
18	Appropriated from:	
19	Special revenue funds:	
20	Administrative order processing fee	11,100
21	Auto repair facilities fees	179,300
22	Child support clearance fees	16,200
23	Driver fees	1,348,900
24	Expedient service fees	960,800
25	Parking ticket court fines	82,600
26	Personal identification card fees	882,400
27	Reinstatement fees - operator licenses	472,500

1	Transportation administration collection fund.....	16,076,700
2	Vehicle theft prevention fees.....	170,800
3	State general fund/general purpose.....	\$ 4,339,700
4	Sec. 110. DEPARTMENT OF TREASURY	
5	(1) APPROPRIATION SUMMARY	
6	Full-time equated unclassified positions.....	9.0
7	Full-time equated classified positions.....	1,829.5
8	GROSS APPROPRIATION.....	\$ 1,733,292,700
9	Interdepartmental grant revenues:	
10	Total interdepartmental grants and intradepartmental	
11	transfers	10,894,600
12	ADJUSTED GROSS APPROPRIATION.....	\$ 1,722,398,100
13	Federal revenues:	
14	Total federal revenues.....	92,307,700
15	Special revenue funds:	
16	Total local revenues.....	1,105,100
17	Total private revenues.....	715,600
18	Total other state restricted revenues.....	1,465,039,100
19	State general fund/general purpose.....	\$ 163,230,600
20	(2) EXECUTIVE DIRECTION	
21	Full-time equated unclassified positions.....	9.0
22	Full-time equated classified positions.....	5.0
23	Unclassified positions--9.0 FTE positions.....	\$ 829,600
24	Office of the director--5.0 FTE positions.....	<u>819,300</u>
25	GROSS APPROPRIATION.....	\$ 1,648,900
26	Appropriated from:	

1	Special revenue funds:		
2	State lottery fund.....		185,300
3	State services fee fund.....		210,500
4	State general fund/general purpose.....	\$	1,253,100
5	(3) DEPARTMENTWIDE APPROPRIATIONS		
6	Travel.....	\$	1,415,900
7	Rent and building occupancy charges - property		
8	management services		5,233,300
9	Worker's compensation insurance premium.....		<u>287,000</u>
10	GROSS APPROPRIATION.....	\$	6,936,200
11	Appropriated from:		
12	Special revenue funds:		
13	Delinquent tax collection revenue.....		3,559,900
14	State general fund/general purpose.....	\$	3,376,300
15	(4) LOCAL GOVERNMENT PROGRAMS		
16	Full-time equated classified positions.....	81.0	
17	Supervision of the general property tax law--54.0 FTE		
18	positions	\$	10,969,200
19	Property tax assessor training--4.0 FTE positions		424,100
20	Local finance--23.0 FTE positions.....		2,444,300
21	Blackstone settlement.....		<u>2,000,000</u>
22	GROSS APPROPRIATION.....	\$	15,837,600
23	Appropriated from:		
24	Special revenue funds:		
25	Local - assessor training fees.....		424,100
26	Local - audit charges.....		591,000
27	Local - equalization study charge-backs.....		40,000

1	Local - revenue from local government	50,000
2	Land reutilization fund	3,985,800
3	Municipal finance fees	480,200
4	State education tax collections	50,000
5	Delinquent tax collection revenue	400,200
6	State general fund/general purpose	\$ 9,816,300
7	(5) TAX PROGRAMS	
8	Full-time equated classified positions	756.0
9	Customer contact--137.0 FTE positions	\$ 11,508,700
10	Tax compliance--318.0 FTE positions	32,303,500
11	Tax and economic policy--78.0 FTE positions	8,377,600
12	Tax processing--151.0 FTE positions	13,928,000
13	Revenue enhancement program--34.0 FTE positions	4,808,700
14	Home heating assistance	2,559,800
15	Bottle bill implementation	250,000
16	Tobacco tax collection--10.0 FTE positions	349,700
17	Michigan business tax implementation--28.0 FTE	
18	positions	<u>11,813,800</u>
19	GROSS APPROPRIATION	\$ 85,899,800
20	Appropriated from:	
21	Interdepartmental grant revenues:	
22	IDG, data/collection services fees	50,900
23	IDG from MDOT, Michigan transportation fund	6,795,900
24	IDG from MDOT, state aeronautics fund	68,000
25	Federal revenues:	
26	HHS-SSA, low-income energy assistance	2,559,800
27	Special revenue funds:	

1	Bottle deposit fund.....		250,000
2	Delinquent tax collection revenue.....		57,242,800
3	Tobacco tax collection and enforcement.....		349,700
4	Tobacco tax revenue.....		391,000
5	Waterways fund.....		79,700
6	State general fund/general purpose.....	\$	18,112,000
7	(6) BANKING AND MANAGEMENT SERVICES		
8	Full-time equated classified positions.....	334.0	
9	Program management--15.0 FTE positions.....	\$	1,620,300
10	Department services--13.0 FTE positions.....		1,198,000
11	Mail operations--28.0 FTE positions.....		1,999,300
12	Unclaimed property--21.0 FTE positions.....		3,501,900
13	Collections--200.0 FTE positions.....		19,888,800
14	Finance and accounting--17.0 FTE positions.....		1,100,700
15	Receipts processing--40.0 FTE positions.....		<u>3,103,600</u>
16	GROSS APPROPRIATION.....	\$	32,412,600
17	Appropriated from:		
18	Interdepartmental grant revenues:		
19	IDG, levy/warrant cost assessment fees.....		1,857,800
20	IDG, state agency collection fees.....		591,200
21	IDG from MDHS, title IV-D.....		619,800
22	IDG data/collection service fees.....		206,400
23	Special revenue funds:		
24	Delinquent tax collection revenue.....		19,691,400
25	Escheats revenue.....		3,501,900
26	Justice system fund.....		644,500
27	Garnishment fees.....		535,900

1	Treasury fees.....		43,100
2	State general fund/general purpose.....	\$	4,720,600
3	(7) FINANCIAL PROGRAMS		
4	Full-time equated classified positions.....	221.5	
5	Investments--80.0 FTE positions.....	\$	16,151,300
6	Michigan merit award administration--6.0 FTE positions		1,453,000
7	Michigan education savings program.....		800,000
8	Common cash and debt management--22.5 FTE positions..		1,242,000
9	Student financial assistance programs--113.0 FTE		
10	positions		<u>35,742,200</u>
11	GROSS APPROPRIATION.....	\$	55,388,500
12	Appropriated from:		
13	Interdepartmental grant revenues:		
14	IDG, fiscal agent service fees.....		169,400
15	Federal revenues:		
16	DED-OPSE, federal lenders allowance.....		10,460,100
17	DED-OPSE, higher education act of 1965, insured loans		23,304,100
18	Special revenue funds:		
19	Defined contribution administrative fee revenue.....		100,000
20	College work-study.....		46,700
21	Michigan merit award trust fund.....		2,679,700
22	Retirement funds.....		15,176,100
23	School bond fees.....		613,800
24	Treasury fees.....		1,038,600
25	State general fund/general purpose.....	\$	1,800,000
26	(8) DEBT SERVICE		
27	Water pollution control bond and interest redemption.	\$	2,323,000

1	Quality of life bond.....	38,000,000
2	Clean Michigan initiative.....	26,400,000
3	Great Lakes water quality bond.....	<u>16,400,000</u>
4	GROSS APPROPRIATION.....	\$ 83,123,000
5	Appropriated from:	
6	Special revenue funds:	
7	Refined petroleum fund.....	15,514,500
8	State general fund/general purpose.....	\$ 67,608,500
9	(9) GRANTS	
10	Grants to counties in lieu of taxes.....	\$ 4,900
11	Convention facility development distribution.....	58,850,000
12	Senior citizen cooperative housing tax exemption	
13	program	17,000,000
14	Commercial mobile radio service payments.....	11,100,000
15	Health and safety fund grants.....	25,000,000
16	Renaissance zone reimbursement.....	3,800,100
17	City-university partnership grants.....	<u>300,000</u>
18	GROSS APPROPRIATION.....	116,055,000
19	Appropriated from:	
20	Special revenue funds:	
21	Commercial mobile radio service fees.....	11,100,000
22	Convention facility development fund.....	58,850,000
23	Health and safety fund.....	25,000,000
24	State general fund/general purpose.....	21,105,000
25	(10) BUREAU OF STATE LOTTERY	
26	Full-time equated classified positions.....	171.0
27	Lottery operations--171.0 FTE positions.....	\$ 19,819,400

1	Promotion and advertising.....	18,622,000
2	Lottery information technology services and projects .	4,550,500
3	Internal audit services.....	<u>132,700</u>
4	GROSS APPROPRIATION.....	\$ 43,124,600
5	Appropriated from:	
6	Special revenue funds:	
7	State lottery fund.....	43,124,600
8	State general fund/general purpose	\$ 0
9	(11) CASINO GAMING	
10	Full-time equated classified positions..... 114.0	
11	Michigan gaming control board.....	\$ 50,000
12	Casino gaming control administration--114.0 FTE	
13	positions	19,369,500
14	Casino gaming information technology services and	
15	projects	<u>1,324,000</u>
16	GROSS APPROPRIATION.....	\$ 20,743,500
17	Appropriated from:	
18	Special revenue funds:	
19	Casino gambling agreements.....	451,100
20	State services fee fund.....	20,292,400
21	State general fund/general purpose	0
22	(12) MICHIGAN STRATEGIC FUND	
23	Full-time equated classified positions..... 147.0	
24	Administration--22.0 FTE positions	\$ 2,555,100
25	Job creation services--125.0 FTE positions	17,069,000
26	Jobs for Michigan investment program - 21st century	
27	jobs fund	75,000,000

1	Michigan promotion program.....	5,717,500
2	Economic development job training program.....	7,441,000
3	Community development block grants.....	53,000,000
4	Community development block grant technical assistance	
5	grants	66,000
6	Energy efficiency grant program.....	600,000
7	Detroit festival of the arts.....	<u>75,000</u>
8	GROSS APPROPRIATION.....	\$ 161,523,600
9	Appropriated from:	
10	Interdepartmental grant revenues:	
11	IDG-MDEQ, air quality fees.....	80,300
12	Federal revenues:	
13	HUD-CPD, community development block grants.....	55,438,800
14	Special revenue funds:	
15	Private - special project advances.....	715,600
16	Industry support fees.....	5,200
17	21st century jobs trust fund.....	75,000,000
18	State general fund/general purpose.....	\$ 30,283,700
19	(13) REVENUE SHARING	
20	Constitutional state general revenue sharing grants ..	\$ 667,564,000
21	Statutory state general revenue sharing grants	421,228,600
22	County revenue sharing payments.....	2,394,500
23	Special grants.....	<u>212,000</u>
24	GROSS APPROPRIATION.....	\$ 1,091,399,100
25	Appropriated from:	
26	Special revenue funds:	
27	Sales tax.....	1,091,187,100

1	State general fund/general purpose	\$	212,000
2	(14) INFORMATION TECHNOLOGY		
3	Treasury operations information technology services		
4	and projects	\$	<u>19,200,300</u>
5	GROSS APPROPRIATION	\$	19,200,300
6	Appropriated from:		
7	Interdepartmental grant revenues:		
8	IDG from MDOT, Michigan transportation fund		454,900
9	Federal revenues:		
10	DED-OPSE, federal lender allowance		544,900
11	Special revenue funds:		
12	Delinquent tax collection revenue		12,081,300
13	Michigan merit award trust fund		415,900
14	Retirement funds		660,200
15	Tobacco tax revenue		100,000
16	State general fund/general purpose	\$	4,943,100

17 PART 2

18 PROVISIONS CONCERNING APPROPRIATIONS

19 **GENERAL SECTIONS**

20 Sec. 201. (1) Pursuant to section 30 of article IX of the
 21 state constitution of 1963, total state spending from state
 22 resources under part 1 for fiscal year 2008-2009 is
 23 \$2,374,909,600.00 and state spending from state resources to be
 24 paid to local units of government for fiscal year 2008-2009 is
 25 \$1,228,461,900.00. The itemized statement below identifies

1 appropriations from which spending to local units of government
 2 will occur:

3 DEPARTMENT OF STATE

4	Fees to local units.....	\$	109,800
5	Motorcycle safety grants.....		<u>1,144,000</u>
6	Subtotal.....	\$	1,253,800

7 DEPARTMENT OF TREASURY

8	Senior citizen cooperative housing tax exemption.....	\$	17,000,000
9	Grants to counties in lieu of taxes.....		5,000
10	Health and safety fund grants.....		25,000,000
11	Constitutional state general revenue sharing grants ..		667,564,000
12	Statutory state general revenue sharing grants		421,228,600
13	Convention facility development fund distribution....		58,850,000
14	Commercial mobile radio service payments		10,100,000
15	Renaissance zone reimbursements.....		3,800,000
16	Special grants.....		212,000
17	County revenue sharing payment.....		2,394,500
18	Airport parking distribution pursuant to section 909 .		18,654,000
19	Economic development job training grants		1,800,000
20	Energy efficiency grants.....		<u>600,000</u>
21	Subtotal.....	\$	<u>1,227,208,100</u>
22	TOTAL GENERAL GOVERNMENT.....	\$	1,228,461,900

23 (2) Pursuant to section 30 of article IX of the state
 24 constitution of 1963, total state spending from state sources for
 25 fiscal year 2008-2009 is estimated at \$28,760,438,000.00 in the
 26 2008-2009 appropriations acts and total state spending from state
 27 sources paid to local units of government for fiscal year 2008-2009

1 is estimated at \$16,262,672,800.00. The state-local proportion is
2 estimated at 56.5% of total state spending from state resources.

3 (3) If payments to local units of government and state
4 spending from state sources for fiscal year 2008-2009 are different
5 than the amounts estimated in subsection (2), the state budget
6 director shall report the payments to local units of government and
7 state spending from state sources that were made for fiscal year
8 2008-2009 to the senate and house of representatives standing
9 committees on appropriations within 30 days after the final book-
10 closing for fiscal year 2008-2009.

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

14 Sec. 203. As used in this act:

15 (a) "AFSCME" means American federation of state, county, and
16 municipal employees.

17 (b) "CDBG" means community development block grants.

18 (c) "COBRA" means the consolidated omnibus budget
19 reconciliation act of 1985, Public Law 99-272, 100 Stat. 82.

20 (d) "CPI" means consumer price index.

21 (e) "DAG" means the United States department of agriculture.

22 (f) "DED-OPSE" means the United States department of
23 education, office of postsecondary education.

24 (g) "DOL-ETA" means the United States department of labor,
25 employment and training administration.

26 (h) "DOL-OSHA" means the United States department of labor,
27 occupational safety and health administration.

1 (i) "EEOC" means the United States equal employment
2 opportunity commission.

3 (j) "EPA" means the United States environmental protection
4 agency.

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

6 (l) "Fund" means the Michigan strategic fund.

7 (m) "GF/GP" means general fund/general purpose.

8 (n) "HHS" means the United States department of health and
9 human services.

10 (o) "HHS-OS" means the HHS office of the secretary.

11 (p) "HHS-SSA" means the HHS social security administration.

12 (q) "HUD" means the United States department of housing and
13 urban development.

14 (r) "HUD-CPD" means the United States department of housing
15 and urban development - community planning and development.

16 (s) "IDG" means interdepartmental grant.

17 (t) "JCOS" means the joint capital outlay subcommittee.

18 (u) "MAIN" means the Michigan administrative information
19 network.

20 (v) "MCL" means the Michigan Compiled Laws.

21 (w) "MDCH" means the Michigan department of community health.

22 (x) "MDEQ" means the Michigan department of environmental
23 quality.

24 (y) "MDHS" means the Michigan department of human services.

25 (z) "MDLEG" means the Michigan department of labor and
26 economic growth.

27 (aa) "MDMB" means the Michigan department of management and

1 budget.

2 (bb) "MDOT" means the Michigan department of transportation.

3 (cc) "MDSP" means the Michigan department of state police.

4 (dd) "MEDC" means the Michigan economic development

5 corporation, which is the public body corporate created under

6 section 28 of article VII of the state constitution of 1963 and the

7 urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to

8 124.512, by contractual interlocal agreement effective April 5,

9 1999, between local participating economic development corporations

10 formed under the economic development corporations act, 1974 PA

11 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund.

12 (ee) "MPE" means the Michigan public employees.

13 (ff) "MSC" means managerial, supervisory and confidential.

14 (gg) "NERE" means nonexclusively represented employees.

15 (hh) "PA" means public act.

16 (ii) "PACC" means the prosecuting attorneys coordinating

17 council.

18 (jj) "SEIU" means service employees international union.

19 Sec. 204. The civil service commission shall bill departments

20 and agencies at the end of the first fiscal quarter for the 1%

21 charge authorized by section 5 of article XI of the state

22 constitution of 1963. Payments shall be made for the total amount

23 of the billing by the end of the second fiscal quarter.

24 Sec. 205. (1) A hiring freeze is imposed on the state

25 classified civil service. State departments and agencies are

26 prohibited from hiring any new full-time state classified civil

27 service employees and prohibited from filling any vacant state

1 classified civil service positions. This hiring freeze does not
2 apply to internal transfers of classified employees from 1 position
3 to another within a department.

4 (2) The attorney general and secretary of state may grant
5 exceptions to the hiring freeze for their respective departments
6 pursuant to the same criteria that the state budget director is
7 able to grant exceptions under this subsection. The state budget
8 director may grant exceptions to this hiring freeze when the state
9 budget director believes that the hiring freeze will result in
10 rendering a state department or agency unable to deliver basic
11 services, cause loss of revenue to the state, result in the
12 inability of the state to receive federal funds, or necessitate
13 additional expenditures that exceed any savings from maintaining a
14 vacancy. The state budget director shall report quarterly to the
15 chairpersons of the senate and house of representatives standing
16 committees on appropriations the number of exceptions to the hiring
17 freeze approved during the previous quarter and the reasons to
18 justify the exception.

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

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

services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

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

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

	2007	2008
Michigan personal income (millions)	\$352,672	\$357,256
less: transfer payments	<u>58,276</u>	<u>61,656</u>
Subtotal	\$294,396	\$295,600
Divided by: Detroit CPI for 12 months		
ending June 30	1.984	2.032

1	Equals: Real adjusted Michigan personal		
2	income	\$148,385	\$145,500
3	Percentage change		-1.9%
4	Percentage change in excess of 2%		0.0%
5	Multiplied by: estimated GF/GP revenue in		
6	FY 2007-2008 (millions)		9,246.5
7	Equals: countercyclical budget and		
8	economic stabilization fund calculation		
9	for the fiscal year ending September 30,		
10	2009.....		\$0.0

11 Sec. 213. Funds appropriated in part 1 shall not be used by
 12 this state, a department, an agency, or an authority of this state
 13 to purchase an ownership interest in a casino enterprise or a
 14 gambling operation as those terms are defined in the Michigan
 15 gaming control and revenue act, the Initiated Law of 1996, MCL
 16 432.201 to 432.226.

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

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

26 Sec. 216. (1) Due to the current budgetary problems in this
 27 state, out-of-state travel for the fiscal year ending September 30,

1 2008 shall be limited to situations in which 1 or more of the
2 following conditions apply:

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

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

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

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

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

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

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

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

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

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

7 (b) The destination of each travel occurrence.

8 (c) The dates of each travel occurrence.

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

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

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

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

21 Sec. 221. (1) Each department shall report no later than April
22 1, 2009 on each specific policy change made to implement a public
23 act affecting the department that took effect during the prior
24 calendar year to the house and senate appropriations subcommittees
25 on the budget for the department, the joint committee on
26 administrative rules, and the senate and house fiscal agencies.

27 (2) Funds appropriated in part 1 shall not be used by a

1 department to adopt a rule that will apply to a small business and
2 that will have a disproportionate economic impact on small
3 businesses because of the size of those businesses if the
4 department fails to reduce the disproportionate economic impact of
5 the rule on small businesses as provided under section 40 of the
6 administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

7 (3) As used in this section:

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

10 (b) "Small business" means that term as defined under section
11 7a of the administrative procedures act of 1969, 1969 PA 306, MCL
12 24.207a.

13 Sec. 225. Each department and agency receiving an
14 appropriation in part 1 shall implement continuous improvement
15 efficiency mechanisms in its programs. The continuous improvement
16 efficiency mechanisms shall identify changes made in those programs
17 to increase efficiency and reduce expenditures. On March 31, 2009
18 and September 30, 2009, each department shall submit a report to
19 the state budget director, the senate and house appropriations
20 subcommittees on general government, and the senate and house
21 fiscal agencies on the progress made toward increased efficiencies.
22 At a minimum, each report shall include information on the program
23 review process, the type of improvement mechanisms implemented, and
24 actual and projected expenditure savings as a result of the
25 increased efficiencies.

26 Sec. 226. Funds appropriated in part 1 shall not be used by a
27 principal executive department, state agency, or authority to hire

1 a person to provide legal services that are the responsibility of
2 the attorney general. This prohibition does not apply to legal
3 services for bonding activities and for those activities that the
4 attorney general authorizes.

5 **DEPARTMENT OF ATTORNEY GENERAL**

6 Sec. 301. (1) In addition to the funds appropriated in part 1,
7 there is appropriated an amount not to exceed \$1,500,000.00 for
8 federal contingency funds. These funds are not available for
9 expenditure until they have been transferred to another line item
10 in this act under section 393(2) of the management and budget act,
11 1984 PA 431, MCL 18.1393.

12 (2) In addition to the funds appropriated in part 1, there is
13 appropriated an amount not to exceed \$1,500,000.00 for state
14 restricted contingency funds. These funds are not available for
15 expenditure until they have been transferred to another line item
16 in this act under section 393(2) of the management and budget act,
17 1984 PA 431, MCL 18.1393.

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

24 (4) In addition to the funds appropriated in part 1, there is
25 appropriated an amount not to exceed \$100,000.00 for private
26 contingency funds. These funds are not available for expenditure

1 until they have been transferred to another line item in this act
2 under section 393(2) of the management and budget act, 1984 PA 431,
3 MCL 18.1393.

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

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

16 (3) The attorney general shall perform the duties specified in
17 1846 RS 12, MCL 14.28 to 14.35, and 1919 PA 232, MCL 14.101 to
18 14.102, and as otherwise provided by law.

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

27 Sec. 304. The department of attorney general is responsible

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

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

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

26 Sec. 307. In addition to the antitrust revenues in part 1,
27 antitrust, securities fraud, consumer protection or class action

1 enforcement revenues, or attorney fees recovered by the department,
2 not to exceed \$250,000.00, are appropriated to the department for
3 antitrust, securities fraud, and consumer protection or class
4 action enforcement cases. Any unexpended funds from antitrust,
5 securities fraud, or consumer protection or class action
6 enforcement revenues at the end of the fiscal year, including
7 antitrust funds in part 1, shall be carried forward for expenditure
8 in the following fiscal year up to the maximum authorization of
9 \$250,000.00.

10 Sec. 307a. (1) All money or other proceeds received by the
11 department of attorney general for debts due or penalties forfeited
12 to the people of this state, or deriving from the settlement of any
13 lawsuit entered into by the attorney general on behalf of a state
14 agency, department, division, bureau, board, commission, council,
15 authority, or other body in the executive branch of state
16 government or an individual acting on behalf of the executive
17 branch of state government against a private individual or business
18 or any other private organization, shall be immediately deposited
19 in conformity with MCL 14.33 and shall not be available for
20 expenditure or disbursement until appropriated.

21 (2) Except as may otherwise be provided by law, the department
22 of attorney general shall not agree as part of the settlement of a
23 lawsuit or administrative enforcement action on behalf of this
24 state, the people of this state, a state entity, or an individual
25 or officer acting on behalf of this state against a private
26 individual, business, or other organization, to accept the payment
27 of money, goods, services, or other benefits to a third party or

1 parties in lieu of a debt or obligation otherwise due to this state
2 or the people of this state. Any money paid to settle a debt or
3 obligation owed this state or the people of this state, or paid in
4 lieu of a debt or obligation otherwise due to this state or the
5 people of this state, or goods or services offered to settle claims
6 on behalf of the state or people of the state of Michigan, shall be
7 deposited with the state treasury immediately after receipt and
8 shall not be available for expenditure or disbursement until
9 appropriated. This section does not apply to settlement money or
10 goods disbursed by a court-approved claims administrator directly
11 to consumer members of a class action lawsuit brought by the
12 attorney general in his or her parens patriae capacity, provided
13 the disbursement is judicially authorized and is made following a
14 notice period and fairness hearing or to supplemental environmental
15 projects secured on behalf of the Michigan department of
16 environmental quality.

17 (3) On a quarterly basis, the attorney general shall report to
18 the budget office and the appropriations committees for both the
19 house and senate the case names and corresponding attorney general
20 case file numbers, court docket numbers, and presiding courts for
21 every matter that the attorney general settled during the preceding
22 quarter. The attorney general shall report the total settlement
23 value for each case reported. The attorney general shall itemize
24 each settlement to additionally reflect:

25 (a) The aggregate Michigan consumer recovery.

26 (b) The value of restitution paid on behalf of the state or
27 any state or federal department or agency whose interest was

1 resolved in the case.

2 (c) Amounts recovered for civil penalties.

3 (d) Amounts recovered for attorney fees.

4 (e) Amounts recovered as reimbursement for the costs of
5 investigation. If the attorney general settled a case in the prior
6 quarter for nonmonetary proceeds, he or she shall indicate the
7 identity and value of proceeds so received for each case as
8 provided in this section.

9 (4) Funds appropriated to the department of attorney general
10 under part 1 are appropriated contingent upon compliance with this
11 section.

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

15 (2) The funds may be expended for the payment of court
16 judgments or settlements, attorney fees, and litigation expenses
17 not including salaries and support costs, assessed against the
18 office of the governor, the department of the attorney general, the
19 governor, or the attorney general when acting in an official
20 capacity as the named party in litigation against the state. The
21 funds may also be expended for the payment of state costs incurred
22 under section 16 of chapter X of the code of criminal procedure,
23 1927 PA 175, MCL 770.16.

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

27 Sec. 309. From the prisoner reimbursement funds appropriated

1 in part 1, the department may spend up to \$463,000.00 on activities
2 related to the state correctional facilities reimbursement act,
3 1935 PA 253, MCL 800.401 to 800.406. In addition to the funds
4 appropriated in part 1, if the department collects in excess of
5 \$1,131,000.00 in gross annual prisoner reimbursement receipts
6 provided to the general fund, the excess, up to a maximum of
7 \$1,000,000.00, is appropriated to the department of attorney
8 general and may be spent on the representation of the department of
9 corrections and its officers, employees, and agents, including, but
10 not limited to, the defense of litigation against the state, its
11 departments, officers, employees, or agents in civil actions filed
12 by prisoners.

13 Sec. 311. The department of attorney general may not receive
14 and expend funds in addition to those authorized in part 1 for
15 legal services provided specifically to other state departments or
16 agencies except for costs for expert witnesses, court costs, or
17 other nonsalary litigation expenses associated with a pending legal
18 action.

19 Sec. 312. The department shall not utilize the proceeds of any
20 settlement entered into by the attorney general or on behalf of
21 this state for advertising or public service messages that include
22 a reference to, or the image or voice of, the attorney general,
23 other elected state officer, or candidate for elective office. The
24 funds appropriated under part 1 are appropriated contingent upon
25 the compliance with the requirements of this section by the
26 department.

1 **DEPARTMENT OF CIVIL RIGHTS**

2 Sec. 401. In addition to the funds appropriated in part 1,
3 there is appropriated an amount not to exceed \$2,000,000.00 for
4 federal contingency funds. These funds are not available for
5 expenditure until they have been transferred to another line item
6 in this act under section 393(2) of the management and budget act,
7 1984 PA 431, MCL 18.1393.

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

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

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

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

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

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

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

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

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

6 **INFORMATION TECHNOLOGY**

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

18 (2) The department of information technology may accept gifts,
19 donations, contributions, bequests, and grants of money from any
20 public or private source to assist with the underwriting or
21 sponsorship of state web pages or services offered on those web
22 pages. A private or public funding source may receive recognition
23 in the web page. The department of information technology may
24 reject any gift, donation, contribution, bequest, or grant.

25 (3) Funds accepted by the department of information technology
26 under subsection (1) are appropriated and allotted when received

1 and may be expended upon approval of the state budget director. The
2 state budget office shall notify the senate and house of
3 representatives standing committees on appropriations subcommittees
4 on general government and the senate and house fiscal agencies
5 within 10 days after the approval is given.

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

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

27 Sec. 575. The legislature shall have access to all historical

1 and current data contained within MAIN pertaining to state
2 departments. State departments shall have access to all historical
3 and current data contained within MAIN.

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

- 8 (a) Application development and maintenance.
- 9 (b) Desktop computer support and management.
- 10 (c) Mainframe computer support and management.
- 11 (d) Server support and management.
- 12 (e) Local area network support and management.
- 13 (f) Information technology contract, project, and procurement
14 management.
- 15 (g) Information technology planning and budget management.
- 16 (h) Telecommunication services, security, infrastructure, and
17 support.
- 18 (i) Software and software licensing.

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

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

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

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

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

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

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

23 Sec. 579. The department of information technology shall
24 provide a report that analyzes and makes recommendations on the
25 life-cycle of information technology hardware and software. The
26 report shall be submitted to the senate and house of
27 representatives standing committees on appropriations subcommittees

1 on general government and the senate and house fiscal agencies by
2 March 1.

3 Sec. 580. (1) From the funds appropriated in part 1 to general
4 services, for the department of state, there is appropriated
5 \$4,550,000.00 for the business application modernization project.
6 Funds shall only be used for the development, implementation, and
7 maintenance of the business application modernization project.

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

16 Sec. 581. From the funds appropriated in part 1, the
17 department of information technology shall assess the state's
18 information technology assets, including hardware, software, and
19 networks to determine any benefits and economies that can be
20 achieved through, but not limited to, hardware and software
21 consolidation and standardization, process improvements, project
22 management improvements, and increased standards-based information
23 sharing between agencies.

24 Sec. 582. The department shall provide a report by December 1
25 of each fiscal year to the senate and house of representatives
26 standing committees on appropriations and the senate and house
27 fiscal agencies detailing the improvements made to Michigan.gov.

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

14 Sec. 586. (1) The state budget director, upon notification to
15 the house and senate appropriations committees, may adjust spending
16 authorization and user fees in the department of information
17 technology budget in order to ensure that the appropriations for
18 information technology in the department budget equal the
19 appropriations for information technology in the budgets for all
20 executive branch agencies.

21 (2) If during the course of the fiscal year a transfer or
22 supplemental to or from the information technology line item within
23 an agency budget is made under section 393 of the management and
24 budget act, 1984 PA 431, MCL 18.1393, there is appropriated an
25 equal amount of user fees in the department of information
26 technology budget to accommodate an increase or decrease in
27 spending authorization.

1 **LEGISLATURE**

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

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

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

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

26 Sec. 603. The appropriation contained in part 1 for national

1 association dues is to be distributed by the legislative council.
2 From the funding appropriated, \$51,000.00 shall be paid as annual
3 dues to the national conference of commissioners on uniform state
4 laws.

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

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

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

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

1 2011.

2 Sec. 607. The appropriations in part 1 to the legislative
3 branch, for automated data processing, shall be used to purchase
4 equipment, software, and services in order to support and implement
5 data processing requirements and technology improvements. These
6 funds are designated as work project appropriations and shall not
7 lapse at the end of the fiscal year, and shall continue to be
8 available for expenditure until the project has been completed. The
9 total cost is estimated at \$500,000.00, and the tentative
10 completion date is September 30, 2011.

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

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

21 **LEGISLATIVE AUDITOR GENERAL**

22 Sec. 620. Pursuant to section 53 of article IV of the state
23 constitution of 1963, the auditor general shall conduct audits of
24 the judicial branch. The audits may include the supreme court and
25 its administrative units, the court of appeals, and trial courts.

26 Sec. 621. (1) The auditor general shall take all reasonable

1 steps to ensure that certified minority- and women-owned and
2 operated accounting firms, and accounting firms owned and operated
3 by persons with disabilities participate in the audits of the
4 books, accounts, and financial affairs of each principal executive
5 department, branch, institution, agency, and office of this state.

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

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

20 Sec. 622. From the funds appropriated in part 1 to the
21 legislative auditor general, the auditor general's salary and the
22 salaries of the remaining 2.0 FTE unclassified positions shall be
23 set by the speaker of the house of representatives, the senate
24 majority leader, the house of representatives minority leader, and
25 the senate minority leader.

26 Sec. 623. Any audits, reviews, or investigations requested of
27 the auditor general by the legislature or by legislative

1 leadership, legislative committees, or individual legislators shall
2 include an estimate of the additional costs involved and, when
3 those costs exceed \$50,000.00, should provide supplemental funding.
4 The auditor general shall determine whether to perform those
5 activities in keeping with Audit Directive No. 29, which describes
6 the office of the auditor general's policy on responding to
7 legislative requests.

8 **DEPARTMENT OF MANAGEMENT AND BUDGET**

9 Sec. 701. (1) In addition to the funds appropriated in part 1,
10 there is appropriated an amount not to exceed \$2,000,000.00 for
11 federal contingency funds. These funds are not available for
12 expenditure until they have been transferred to another line item
13 in this act under section 393(2) of the management and budget act,
14 1984 PA 431, MCL 18.1393.

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

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

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

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

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

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

25 (4) The department of management and budget may receive and
26 expend funds in addition to those authorized in part 1 for
27 purchasing services provided specifically to other principal

1 executive departments and state agencies, the legislative branch,
2 or the judicial branch.

3 Sec. 705. (1) The source of financing in part 1 for statewide
4 appropriations shall be funded by assessments against longevity and
5 insurance appropriations throughout state government in a manner
6 prescribed by the department of management and budget. Funds shall
7 be used as specified in joint labor/management agreements or
8 through the coordinated compensation hearings process. Any deposits
9 made under this subsection and any unencumbered funds are
10 restricted revenues, may be carried over into the succeeding fiscal
11 years, and are appropriated.

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

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

25 Sec. 707. In addition to the funds appropriated in part 1 to
26 the department of management and budget, the department may receive
27 and expend funds from other principal executive departments and

1 state agencies to implement donated annual leave and administrative
2 leave bank transfer provisions as may be specified in joint
3 labor/management agreements. The amounts may also be transferred to
4 other principal executive departments and state agencies under the
5 joint agreement and any amounts transferred under the joint
6 agreement are authorized for receipt and expenditure by the
7 receiving principal executive department or state agency. Any
8 amounts received by the department of management and budget under
9 this section and intended, under the joint labor/management
10 agreements, to be available for use beyond the close of the fiscal
11 year and any unencumbered funds may be carried over into the
12 succeeding fiscal year.

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

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

27 (2) Appropriations in part 1 to the department of management

1 and budget, for management and budget services from building
2 occupancy charges and parking charges, may be increased to return
3 excess revenue collected to state agencies.

4 Sec. 710. The department of management and budget shall notify
5 the chairpersons of the senate and house of representatives
6 standing committees on appropriations and the chairpersons of the
7 senate and house of representatives standing committees on
8 appropriations subcommittees on general government on any revisions
9 that increase or decrease current contracts by more than
10 \$500,000.00 for computer software development, hardware
11 acquisition, or quality assurance at least 14 days before the
12 department of management and budget finalizes the revisions.

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

27 Sec. 712. The department of management and budget may receive

1 and expend funds from the Vietnam veterans memorial monument fund
2 as provided in the Michigan Vietnam veterans memorial act, 1988 PA
3 234, MCL 35.1051 to 35.1057. Funds are appropriated and allocated
4 when received and may be expended upon receipt.

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

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

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

25 (3) It is the intent of the legislature that the department of
26 management and budget have the authority to determine the
27 appropriateness of vehicle assignment, to include year, make,

1 model, size, and price of vehicle. The department may assign motor
2 vehicles, permanently or temporarily, to state agencies and to
3 institutions of higher education.

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

27 (5) The department of management and budget may charge state

1 agencies for fuel cost increases that exceed \$2.27 per gallon of
2 unleaded gasoline. The department shall notify state agencies, in
3 writing or by electronic mail, at least 30 days before implementing
4 additional charges for fuel cost increases. Revenues received from
5 these charges are appropriated upon receipt.

6 Sec. 716. The department of management and budget shall adopt
7 policies and procedures necessary for compliance by the department,
8 other state departments and agencies, and state vendors and
9 subcontractors, with the requirement under subsection (1) of
10 section 261 of the management and budget act, 1984 PA 431, MCL
11 18.1261, to provide a purchasing preference for products
12 manufactured or services offered by Michigan-based firms.

13 Sec. 716a. (1) From the funds appropriated in part 1 to the
14 department of management and budget business support services line,
15 there is appropriated \$800,000.00 for the supplier diversity
16 program. Funding is to be used for up to 8.0 full-time equated
17 positions within the department of management and budget or to
18 contract with 1 or more private companies to implement a supplier
19 diversity program that includes staff training, supplier
20 identification, and supplier marketing intended to increase the
21 number and types of vendors competing for state contracts.

22 (2) From the funds appropriated in part 1 to the department of
23 management and budget business support services line, the
24 department may expend an additional \$200,000.00 for other costs
25 associated with the supplier diversity program.

26 Sec. 717. In determining whether the purchase, contracting
27 for, providing of supplies, materials, services, insurance,

1 utilities, third-party financing, equipment, printing, and other
2 items needed by state departments or agencies is in the best
3 interests of this state, and in making all discretionary decisions
4 concerning the solicitation, award, amendment, cancellation, or
5 appeal of state contracts, the department of management and budget
6 shall consider all of the following:

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

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

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

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

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

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

14 (f) Whether a proposal by a vendor to provide services to this
15 state from a location outside of this state or the United States
16 would constitute undue risk under a risk management policy,
17 practice, or procedure adopted by the department of management and
18 budget under section 204 of the management and budget act, 1984 PA
19 431, MCL 18.1204.

20 (g) Whether a proposal by a vendor to provide goods to this
21 state produced outside of this state or the United States would
22 constitute undue risk under a risk management policy, practice, or
23 procedure adopted by the department of management and budget under
24 section 204 of the management and budget act, 1984 PA 431, MCL
25 18.1204.

26 Sec. 718. The department of management and budget shall
27 collect from vendors information necessary to comply with the

1 requirements of this act, as determined by the department. The
2 department of management and budget may require vendors to provide
3 any of the following:

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

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

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

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

18 Sec. 720. The source of financing in part 1 for internal audit
19 charges shall fund internal audit services provided by the office
20 of the state budget within the department of management and budget.
21 Internal audit charges shall be funded by assessments against state
22 agencies in a manner prescribed by the department.

23 Sec. 721. In addition to the funds appropriated in part 1, the
24 department of management and budget may receive and expend money
25 from the Michigan law enforcement officers memorial monument fund
26 as provided in the Michigan law enforcement officers memorial act,
27 2004 PA 177, MCL 28.781 to 28.787.

1 Sec. 722. In addition to the funds appropriated in part 1, the
2 department of management and budget may receive and expend money
3 from the Ronald Wilson Reagan memorial monument fund as provided in
4 the Ronald Wilson Reagan memorial monument fund commission act,
5 2004 PA 489, MCL 399.261 to 399.266.

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

10 STATE BUILDING AUTHORITY

11 Sec. 725. (1) Subject to section 242 of the management and
12 budget act, 1984 PA 431, MCL 18.1242, and upon the approval of the
13 state building authority, the department may expend from the
14 general fund of the state during the fiscal year ending September
15 30, 2009 an amount to meet the cash flow requirements of those
16 state building authority projects solely for lease to a state
17 agency identified in both part 1 and this section, and for which
18 state building authority bonds or notes have not been issued, and
19 for the sole acquisition by the state building authority of
20 equipment and furnishings for lease to a state agency as permitted
21 by 1964 PA 183, MCL 830.411 to 830.425, for which the issuance of
22 bonds or notes is authorized by a legislative concurrent resolution
23 that is effective for the fiscal year ending September 30, 2009.
24 Any general fund advances for which state building authority bonds
25 have not been issued shall bear an interest cost to the state
26 building authority at a rate not to exceed that earned by the state

1 treasurer's common cash fund during the period in which the
2 advances are outstanding and are repaid to the general fund of the
3 state.

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

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

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

22 Sec. 726. (1) State building authority funding to finance
23 construction or renovation of a facility that collects revenue in
24 excess of money required for the operation of that facility shall
25 not be released to a university or community college unless the
26 institution agrees to reimburse that excess revenue to the state
27 building authority. The excess revenue shall be credited to the

1 general fund to offset rent obligations associated with the
2 retirement of bonds issued for that facility. The auditor general
3 shall annually identify and present an audit of those facilities
4 that are subject to this section. Costs associated with the
5 administration of the audit shall be charged against money
6 recovered pursuant to this section.

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

11 Sec. 727. (1) The state building authority rent appropriations
12 in part 1 may also be expended for the payment of required premiums
13 for insurance on facilities owned by the state building authority
14 or payment of costs that may be incurred as the result of any
15 deductible provisions in such insurance policies.

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

22 Sec. 728. The department of management and budget shall
23 provide the JCOS and the senate and house fiscal agencies a report
24 relative to the status of construction projects associated with
25 state building authority bonds as of September 30 of each year, on
26 or before October 15, or not more than 30 days after a refinancing
27 or restructuring bond issue is sold. The report shall include, but

1 is not limited to, the following:

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

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

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

12 **CIVIL SERVICE**

13 Sec. 750. (1) In addition to the funds appropriated in part 1,
14 there is appropriated an amount not to exceed \$2,000,000.00 for
15 federal contingency funds. These funds are not available for
16 expenditure until they have been transferred to another line item
17 in this act under section 393(2) of the management and budget act,
18 1984 PA 431, MCL 18.1393.

19 (2) In addition to the funds appropriated in part 1, there is
20 appropriated an amount not to exceed \$5,000,000.00 for state
21 restricted contingency funds. These funds are not available for
22 expenditure until they have been transferred to another line item
23 in this act under section 393(2) of the management and budget act,
24 1984 PA 431, MCL 18.1393.

25 (3) In addition to the funds appropriated in part 1, there is
26 appropriated an amount not to exceed \$100,000.00 for local

1 contingency funds. These funds are not available for expenditure
2 until they have been transferred to another line item in this act
3 under section 393(2) of the management and budget act, 1984 PA 431,
4 MCL 18.1393.

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

11 Sec. 751. (1) All restricted funds shall be assessed a sum not
12 less than 1% of the total aggregate payroll paid from those funds
13 for financing the civil service commission on the basis of actual
14 1% restricted sources total aggregate payroll of the classified
15 service for fiscal year 2008 in accordance with section 5 of
16 article XI of the state constitution of 1963. This includes, but is
17 not limited to, restricted funds appropriated in part 1 of any
18 appropriations act. Unexpended 1% appropriated funds shall be
19 returned to each 1% fund source at the end of the fiscal year.

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

26 (3) The financing from restricted sources shall be credited to
27 the civil service commission by the end of the second fiscal

1 quarter.

2 Sec. 752. Except where specifically appropriated for this
3 purpose, financing from restricted sources shall be credited to the
4 civil service commission. For restricted sources of funding within
5 the general fund that have the legislative authority for carryover,
6 if current spending authorization or revenues are insufficient to
7 accept the charge, the shortage shall be taken from carryforward
8 balances of that funding source. Restricted revenue sources that do
9 not have carryforward authority shall be utilized to satisfy
10 commission operating deducts first and civil service obligations
11 second. General fund dollars are appropriated for any shortfall,
12 pursuant to approval by the state budget director.

13 Sec. 753. The appropriation in part 1 to the civil service
14 commission, for state-sponsored group insurance, flexible spending
15 accounts, and COBRA, represents amounts, in part, included within
16 the various appropriations throughout state government for the
17 current fiscal year to fund the flexible spending account program
18 included within the civil service commission. Deposits against
19 state-sponsored group insurance, flexible spending accounts, and
20 COBRA for the flexible spending account program shall be made from
21 assessments levied during the current fiscal year in a manner
22 prescribed by the civil service commission. Unspent employee
23 contributions to the flexible spending accounts may be used to
24 offset administrative costs for the flexible spending account
25 program, with any remaining balance of unspent employee
26 contributions to be lapsed to the general fund.

1 DEPARTMENT OF STATE

2 Sec. 801. (1) In addition to the funds appropriated in part 1,
3 there is appropriated an amount not to exceed \$2,000,000.00 for
4 federal contingency funds. These funds are not available for
5 expenditure until they have been transferred to another line item
6 in this act under section 393(2) of the management and budget act,
7 1984 PA 431, MCL 18.1393.

8 (2) In addition to the funds appropriated in part 1, there is
9 appropriated an amount not to exceed \$7,500,000.00 for state
10 restricted contingency funds. These funds are not available for
11 expenditure until they have been transferred to another line item
12 in this act under section 393(2) of the management and budget act,
13 1984 PA 431, MCL 18.1393.

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

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

26 Sec. 802. All funds made available by section 3171 of the
27 insurance code of 1956, 1956 PA 218, MCL 500.3171, are appropriated

1 and made available to the department of state to be expended only
2 for the uses and purposes for which the funds are received as
3 provided by sections 3171 to 3177 of the insurance code of 1956,
4 1956 PA 218, MCL 500.3171 to 500.3177.

5 Sec. 803. From the funds appropriated in part 1, the
6 department of state shall sell copies of records including, but not
7 limited to, records of motor vehicles, off-road vehicles,
8 snowmobiles, watercraft, mobile homes, personal identification
9 cardholders, drivers, and boat operators and shall charge \$7.00 per
10 record sold only as authorized in section 208b of the Michigan
11 vehicle code, 1949 PA 300, MCL 257.208b, section 7 of 1972 PA 222,
12 MCL 28.297, and sections 80130, 80315, 81114, and 82156 of the
13 natural resources and environmental protection act, 1994 PA 451,
14 MCL 324.80130, 324.80315, 324.81114, and 324.82156. The revenue
15 received from the sale of records shall be credited to the
16 transportation administration collection fund created under section
17 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b.

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

23 Sec. 805. (1) The department of state may accept gifts,
24 donations, contributions, and grants of money and other property
25 from any private or public source to underwrite, in whole or in
26 part, the cost of a departmental publication that is prepared and
27 disseminated under the Michigan vehicle code, 1949 PA 300, MCL

1 257.1 to 257.923. A private or public funding source may receive
2 written recognition in the publication and may furnish a traffic
3 safety message, subject to departmental approval, for inclusion in
4 the publication. The department may reject a gift, donation,
5 contribution, or grant. The department may furnish copies of a
6 publication underwritten, in whole or in part, by a private source
7 to the underwriter at no charge.

8 (2) The department of state may sell and accept paid
9 advertising for placement in a departmental publication that is
10 prepared and disseminated under the Michigan vehicle code, 1949 PA
11 300, MCL 257.1 to 257.923. The department may charge and receive a
12 fee for any advertisement appearing in a departmental publication
13 and shall review and approve the content of each advertisement. The
14 department may refuse to accept advertising from any person or
15 organization. The department may furnish a reasonable number of
16 copies of a publication to an advertiser at no charge.

17 (3) Pending expenditure, the funds received under this section
18 shall be deposited in the Michigan department of state publications
19 fund created by section 211 of the Michigan vehicle code, 1949 PA
20 300, MCL 257.211. Funds given, donated, or contributed to the
21 department from a private source are appropriated and allocated for
22 the purpose for which the revenue is furnished. Funds granted to
23 the department from a public source are allocated and may be
24 expended upon receipt. The department shall not accept a gift,
25 donation, contribution, or grant if receipt is conditioned upon a
26 commitment of state funding at a future date. Revenue received from
27 the sale of advertising is appropriated and may be expended upon

1 receipt.

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

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

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

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

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

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

21 (6) In addition to copies delivered without charge as the
22 secretary of state considers necessary, the department of state may
23 sell copies of manuals and other publications regarding the sale,
24 ownership, or operation or regulation of motor vehicles, with
25 amendments, at prices to be established by the secretary of state.
26 As used in this subsection, the term "manuals and other
27 publications" includes videos and proprietary electronic

1 publications. All funds received from sales of these manuals and
2 other publications shall be credited to the Michigan department of
3 state publications fund.

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

10 Sec. 807. From the funds appropriated in part 1, the
11 department of state shall use available balances at the end of the
12 state fiscal year to provide payment to the department of state
13 police in the amount of \$332,000.00 for the services provided by
14 the traffic accident records program as first appropriated in 1990
15 PA 196 and 1990 PA 208.

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

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

27 (2) Commemorative and specialty license plate fee revenue

1 collected by the department of state and deposited in the
2 transportation administration collection fund, in addition to the
3 amount appropriated in part 1 to the department of state, shall
4 remain in the transportation administration collection fund and be
5 available for future appropriation.

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

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

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

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

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

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

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

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

1 costs.

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

5 Sec. 815. At least 180 days before closing or consolidating a
6 branch office and at least 60 days before relocating a branch
7 office, the department of state shall inform members of the senate
8 and house of representatives standing committees on appropriations
9 and legislators who represent affected areas regarding the details
10 of the proposal. The information provided shall be in written form
11 and include all analyses done regarding criteria for changes in the
12 location of branch offices, including, but not limited to, branch
13 transactions, revenue, and the impact on citizens of the affected
14 area. The impact on citizens shall include information regarding
15 additional distance to branch office locations resulting from the
16 plan. The written notice provided by the department of state shall
17 also include detailed estimates of costs and savings that will
18 result from the overall changes made to the branch office structure
19 and the same level of detail regarding costs for new leased
20 facilities and expansions of current leased space.

21 Sec. 815a. By December 15, the department of state shall
22 report to the senate and house of representatives standing
23 committees on appropriations subcommittees on general government
24 and the senate and house fiscal agencies the number of branch
25 office transactions completed online by Michigan residents in the
26 immediately preceding fiscal year.

27 Sec. 816. (1) Any service assessment collected by the

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

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

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

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

22 Sec. 818. (1) Funds in part 1 for motorcycle safety education
23 grants and administration are appropriated to the department of
24 state for operation of the motorcycle safety education program
25 previously operated by the department of education under section
26 811a of the Michigan vehicle code, 1949 PA 300, MCL 257.811a.

27 (2) Funds in part 1 for motorcycle safety education grants and

1 administration shall be derived from original and renewal
2 motorcycle license endorsements, annual motorcycle registration
3 fees, and motorcycle operator driving test fees.

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

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

17 Sec. 819. (1) From the funds appropriated in part 1 to the
18 department of state for information technology services and
19 projects, there is appropriated \$4,550,000.00 for the business
20 application modernization project. Funds shall only be used for the
21 development, implementation, and maintenance of the business
22 application modernization project.

23 (2) The unexpended funds appropriated in part 1 for the
24 business application modernization project are designated as work
25 project appropriations and shall not lapse at the end of the fiscal
26 year. Any unencumbered or unallotted funds shall be carried over
27 into the succeeding fiscal year and shall continue to be available

1 for expenditure until the project has been completed. The total
2 cost is estimated at \$30,000,000.00, and the tentative completion
3 date is September 30, 2010.

4 Sec. 821. (1) The department of state may accept nonmonetary
5 gifts, donations, or contributions of property from any private or
6 public source to support, in whole or in part, the operation of a
7 departmental function relating to licensing, regulation, or safety.
8 The department may recognize a private or public contributor for
9 making the contribution. The department may reject a gift,
10 donation, or contribution.

11 (2) The department of state shall not accept a gift, donation,
12 or contribution under subsection (1) if receipt of the gift,
13 donation, or contribution is conditioned upon a commitment of
14 future state funding.

15 (3) On March 1 of each year, the department of state shall
16 file a report with the senate and house of representatives standing
17 committees on appropriations, the senate and house fiscal agencies,
18 and the state budget director. The report shall list any gift,
19 donation, or contribution received by the department under
20 subsection (1) for the prior calendar year.

21 Sec. 827. The funds appropriated in part 1 for department of
22 state, branch operations, are contingent upon the department
23 complying with the following guidelines for branch office
24 placement:

25 (a) The department of state shall, whenever possible, avoid
26 leasing space for branch offices on greenfield sites or other
27 noncentral locations that require the construction of new

1 infrastructure to service the office or facility, except in limited
2 circumstances when the constituency served or programs supported
3 require the use of a noncentral or open space location.

4 (b) The department shall encourage public investment in this
5 state's urban areas by locating branch offices and facilities in
6 urban areas. As used in this section, "urban areas" means a
7 downtown area, town centers, or central business districts.

8 (c) The department shall, whenever possible, locate branch
9 offices at locations consistent with local planning and zoning and
10 compatible with existing land uses.

11 (d) In selecting a site for a branch office, the department
12 shall give priority to locations in urban areas, whenever
13 reasonably possible and consistent with state law. In making
14 location decisions, the department shall also give consideration to
15 the following:

16 (i) Use of existing space in state-owned facilities in urban
17 areas.

18 (ii) Adaptive use or rehabilitation of historic buildings or
19 reuse of other buildings within an urban area.

20 (iii) Use of vacant buildings in an urban area.

21 (iv) Use of vacant land in an urban area.

22 (v) Use and rehabilitation of brownfield areas.

23 DEPARTMENT OF TREASURY

24 OPERATIONS

25 Sec. 901. (1) In addition to the funds appropriated in part 1,
26 there is appropriated an amount not to exceed \$1,000,000.00 for

1 federal contingency funds. These funds are not available for
2 expenditure until they have been transferred to another line item
3 in this act under section 393(2) of the management and budget act,
4 1984 PA 431, MCL 18.1393.

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

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

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

23 Sec. 902. (1) Amounts needed to pay for interest, fees,
24 principal, mandatory and optional redemptions, arbitrage rebates as
25 required by federal law, and costs associated with the payment,
26 registration, trustee services, credit enhancements, and issuing
27 costs in excess of the amount appropriated to the department of

1 treasury in part 1 for debt service on notes and bonds that are
2 issued by the state under sections 14, 15, and 16 of article IX of
3 the state constitution of 1963 as implemented by 1967 PA 266, MCL
4 17.451 to 17.455, are appropriated.

5 (2) In addition to the amount appropriated to the department
6 of treasury for debt service in part 1, there is appropriated an
7 amount for fiscal year cash-flow borrowing costs to pay for
8 interest on interfund borrowing made under 1967 PA 55, MCL 12.51 to
9 12.53.

10 (3) In addition to the amount appropriated to the department
11 of treasury for debt service in part 1, there is appropriated all
12 repayments received by the state on loans made from the school bond
13 loan fund not required to be deposited in the school loan revolving
14 fund by or pursuant to MCL 388.984, to the extent determined by the
15 state treasurer, for the payment of debt service, including without
16 limitation, optional and mandatory redemptions, on bonds, notes or
17 commercial paper issued by the state pursuant to 1961 PA 112.

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

1 recorded or dedicated. However, if the taxes collected are
2 constitutionally dedicated for a specific purpose, the
3 appropriation of collection costs and fees are from the general
4 purpose account of the general fund.

5 (2) From the funds appropriated in part 1, the department of
6 treasury may contract with private collections agencies and law
7 firms to collect defaulted student loans and other accounts due the
8 Michigan guaranty agency. In addition to the amounts appropriated
9 in part 1 to the department of treasury, there are appropriated
10 amounts necessary to fund collection costs and fees not to exceed
11 22% of the collection or a lesser amount as prescribed by the
12 contract. The appropriation to fund collection costs and fees for
13 the auditing and collection of defaulted student loans due the
14 Michigan guaranty agency is from the fund or account to which the
15 revenues being collected are recorded or dedicated.

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

24 Sec. 904. (1) The department of treasury, through its bureau
25 of investments, may charge an investment service fee against the
26 applicable retirement funds. The fees may be expended for necessary
27 salaries, wages, contractual services, supplies, materials,

1 equipment, travel, worker's compensation insurance premiums, and
2 grants to the civil service commission and state employees'
3 retirement funds. Service fees shall not exceed the aggregate
4 amount appropriated in part 1. The department of treasury shall
5 maintain accounting records in sufficient detail to enable the
6 retirement funds to be reimbursed periodically for fee revenue that
7 is determined by the department of treasury to be surplus.

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

18 Sec. 904a. (1) There is appropriated an amount sufficient to
19 recognize and pay expenditures for financial services provided by
20 financial institutions as provided under section 1 of 1861 PA 111,
21 MCL 21.181.

22 (2) The appropriations under subsection (1) shall be funded by
23 restricting revenues from common cash interest earnings and
24 investment earnings in an amount sufficient to record these
25 expenditures.

26 Sec. 905. (1) The department of treasury shall provide copies
27 of the state tax manual via the department's web site or provide

1 for sale copies of the tax manuals on a compact disc or an
2 electronically transmitted format. The revenue received from the
3 sale of preparation and local government assistance manuals shall
4 revert to the department of treasury and be placed in the local
5 government assistance manual revolving fund.

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

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

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

24 (3) The state audits shall be performed for the most current
25 county fiscal year in conjunction with the financial single audit.
26 The state audit may be performed either by certified public
27 accountants contracted by the state treasurer or department of

1 treasury staff, independent of the financial single audit, if a
2 state audit has not been performed within the last 3 years.

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

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

23 Sec. 909. Revenue from the airport parking tax act, 1987 PA
24 248, MCL 207.371 to 207.383, is appropriated and shall be
25 distributed under section 7a of the airport parking tax act, 1987
26 PA 248, MCL 207.377a.

27 Sec. 910. The disbursement by the department of treasury from

1 the bottle deposit fund to dealers as required by section 3c(2) of
2 the Initiated Law of 1976, MCL 445.573c, is appropriated.

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

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

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

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

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

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

24 (2) Of the funds appropriated in part 1 to the department of
25 treasury for the senior citizens' cooperative housing tax exemption
26 program, a portion is to be utilized for a program audit of the
27 program. The department of treasury shall forward copies of the

1 audit report to the senate and house of representatives standing
2 committees on appropriations subcommittees on general government
3 and to the state budget office. The department of treasury may
4 utilize up to 1% of the funds for program administration and
5 auditing.

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

11 Sec. 915. Pursuant to section 61 of the Michigan campaign
12 finance act, 1976 PA 388, MCL 169.261, there is appropriated from
13 the general fund to the state campaign fund an amount equal to the
14 amounts designated for tax year 2007. Except as otherwise provided
15 in this section, the amount appropriated shall not revert to the
16 general fund and shall remain in the state campaign fund. Any
17 amounts remaining in the state campaign fund in excess of
18 \$10,000,000.00 on December 31, 2008 shall revert to the general
19 fund.

20 Sec. 916. The department of treasury may make available to
21 interested entities otherwise unavailable customized unclaimed
22 property listings of nonconfidential information in its possession.
23 The charge for this information is as follows: 1 to 100,000 records
24 at 2.5 cents per record and 100,001 or more records at .5 cents per
25 record. The revenue received from this service shall be deposited
26 to the appropriate revenue account or fund. The department shall
27 submit an annual report on or before June 1 to the state budget

1 director and the senate and house of representatives standing
2 committees on appropriations that states the amount of revenue
3 received from the sale of information.

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

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

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

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

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

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

13 Sec. 921. The state general fund/general purpose appropriation
14 in part 1 for renaissance zone reimbursement is allocated to
15 reimburse public libraries as provided by section 12 of the
16 Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for
17 property taxes levied in 2008. Reimbursements shall be made in
18 amounts to each eligible recipient not later than 60 days after the
19 department of treasury has received all necessary information to
20 properly determine the amounts due each eligible recipient under
21 section 12(4) of the Michigan renaissance zone act, 1996 PA 376,
22 MCL 125.2692. Any excess allocations shall lapse to the general
23 fund.

24 Sec. 922. The department of treasury shall submit a report for
25 the immediately preceding fiscal year ending September 30 to the
26 senate and house of representatives standing committees on
27 appropriations subcommittees on general government, the senate and

1 house fiscal agencies, and the state budget director by November 30
2 stating the amount of Michigan transportation fund revenue
3 collected and the cost of collection.

4 Sec. 923. (1) From the funds appropriated in part 1 to the
5 department of treasury for the city-university partnership plan,
6 \$300,000.00 shall be allocated to the Michigan State University,
7 center for community and economic development to create and
8 administer a partnership with Michigan's urban core mayors in
9 collaboration with Wayne State University and the University of
10 Michigan.

11 (2) The funds appropriated in part 1 for the city-university
12 partnership plan shall be used for the following activities:

13 (a) The analysis of existing, proposed, or potential public
14 policy initiatives that impact the vitality of Michigan's urban
15 core cities.

16 (b) The collection and dissemination of information regarding
17 effective local responses to common problems confronting urban core
18 cities.

19 (c) Student practicum projects on specific urban policy summit
20 meetings involving local governmental officials, state policy
21 makers, and university-based scholars to review key policy issues
22 affecting the social and economic development of Michigan's core
23 communities.

24 (d) To facilitate communication among mayors of urban core
25 cities, their staff, and university scholars in order to identify
26 priority issues, mobilize scholarly activities, and disseminate
27 empirical findings.

1 Sec. 924. (1) In addition to the funds appropriated in part 1,
2 the department of treasury may receive and expend principal
3 residence audit fund revenue for administration of principal
4 residence audits under the general property tax act, 1893 PA 206,
5 MCL 211.1 to 211.155.

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

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

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

1 revert to the general fund of this state as of September 30.

2 Sec. 930. (1) The department of treasury shall provide
3 accounts receivable collections services to other principal
4 executive departments and state agencies under 1927 PA 375, MCL
5 14.131 to 14.134. The department of treasury shall deduct a fee
6 equal to the cost of collections from all receipts except
7 unrestricted general fund collections. Fees shall be credited to a
8 restricted revenue account and appropriated to the department of
9 treasury to pay for the cost of collections. The department of
10 treasury shall maintain accounting records in sufficient detail to
11 enable the respective accounts to be reimbursed periodically for
12 fees deducted that are determined by the department of treasury to
13 be surplus to the actual cost of collections.

14 (2) The department of treasury shall submit a report for the
15 immediately preceding fiscal year to the state budget director and
16 the senate and house fiscal agencies not later than November 30,
17 stating the principal executive departments and state agencies
18 served, funds collected, and costs of collection under subsection
19 (1).

20 Sec. 930a. The department shall select a private collection
21 agency to perform secondary collection activities in an effort to
22 benchmark primary agency performance for all individual tax,
23 discontinued business tax, and state agency accounts, and all
24 active business tax accounts older than 36 months. Consistent with
25 sound collection practices and to maximize the effectiveness of
26 those collection activities, the department shall not select a
27 collection agency, or related entity, that has already attempted to

1 collect the debt in question. The department shall report its
2 progress on second placement collection activities on a quarterly
3 basis during the fiscal year.

4 Sec. 931. (1) The appropriation in part 1 to the department of
5 treasury for treasury fees shall be assessed against all restricted
6 funds that receive common cash earnings or other investment income.
7 Treasury fees include all costs, including administrative overhead,
8 relating to the investment of each restricted fund. The fee
9 assessed against each restricted fund will be based on the size of
10 the restricted fund (the absolute value of the average daily cash
11 balance plus the market value of investments in the prior fiscal
12 year) and the level of effort necessary to maintain the restricted
13 fund as required by each department. The department of treasury
14 shall provide a report to the state budget director, the senate and
15 house of representatives standing committees on appropriations
16 subcommittees on general government, and the senate and house
17 fiscal agencies by November 30 of each year identifying the fees
18 assessed against each restricted fund and the methodology used for
19 assessment.

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

27 Sec. 932. Revenue received under the Michigan education trust

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

6 Sec. 933. (1) The \$800,000.00 appropriated in part 1 for the
7 Michigan education savings program is from the Michigan merit award
8 trust fund to fund an incentive program for the Michigan education
9 savings program created under the Michigan education savings
10 program act, 2000 PA 161, MCL 390.1471 to 390.1486.

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

17 (3) During the current fiscal year, the state shall provide
18 \$1.00 of matching funds for each \$3.00 of individual contributions
19 to the educational savings accounts. The maximum state match for
20 each designated beneficiary shall be \$200.00.

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

23 Sec. 934. The department of treasury may expend revenues
24 received under the hospital finance authority act, 1969 PA 38, MCL
25 331.31 to 331.84, for necessary salaries, wages, supplies,
26 contractual services, equipment, worker's compensation insurance
27 premiums, and grants to the civil service commission and state

1 employees' retirement fund. The department of treasury shall
2 maintain accounting records in sufficient detail to enable the
3 hospital clients to be reimbursed periodically for fees that are
4 determined by the department of treasury to be surplus to needs.

5 Sec. 935. The department of treasury may expend revenue
6 received under the shared credit rating act, 1985 PA 227, MCL
7 141.1051 to 141.1076, for necessary salaries, wages, supplies,
8 contractual services, equipment, worker's compensation insurance
9 premiums, and grants to the civil service commission and state
10 employees' retirement fund.

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

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

1 commission and state employees' retirement fund.

2 Sec. 939. It is the intent of the legislature that the state
3 treasurer, acting within his or her capacity as the investment
4 fiduciary for public employee pension funds and consistent with
5 1965 PA 314, MCL 38.1132 to 38.1140m, give appropriate
6 consideration to investments in early stage, university derived
7 life science companies located in Michigan, or investments in
8 venture capital funds that invest in those companies to the extent
9 those investments offer the safety and rate of return comparable to
10 other investments permitted and available at the time the
11 investment decision is made.

12 Sec. 940. The department of treasury may expend revenue
13 received under the Michigan tobacco settlement finance authority
14 act, 2005 PA 226, MCL 129.261 to 129.279, for necessary salaries
15 and wages, supplies, contractual services equipment, worker's
16 compensation insurance premiums, and grants to the civil service
17 commission and state employee retirement funds.

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

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

26 Sec. 946. Members of the state tax commission and management
27 level staff of the assessment and certification division may meet

1 with statewide assessment organizations on a quarterly basis for
2 the purpose of coordinating assessment and training activities.
3 Recertification and training activities may be conducted at
4 regional locations chosen to maximize participation of local
5 officials.

6 Sec. 947. (1) Of the \$5,267,400.00 included in part 1 for the
7 revenue enhancement program, \$4,767,400.00 shall be used for
8 revenue collection enhancement activities including auditing
9 functions.

10 (2) The department of treasury shall submit quarterly progress
11 reports to the senate and house of representatives standing
12 committees on appropriations subcommittees on general government
13 and the senate and house fiscal agencies, regarding personal
14 property tax audits funded under subsection (1). The report shall
15 include the number of audits, revenue generated, and number of
16 complaints received by the department related to the audits.

17 (3) The \$500,000.00 balance of the \$5,267,400.00 shall be used
18 for the principal residence exemption compliance program. Along
19 with other program costs, expenditures shall include the
20 development and maintenance of a statewide web-based database
21 created for the purpose of enforcing the principal residence
22 exemption compliance program. The department shall submit quarterly
23 progress reports that include the number of exemptions denied and
24 the revenue received under this program. The legislative auditor
25 general shall complete a performance audit of the principal
26 residence exemption compliance program prior to April 1, 2009.
27 Revenue generated to the state from the principal residence

1 exemption compliance program shall be used to reimburse the state
2 general fund for the \$500,000.00 appropriation prior to any other
3 allocation. Additional funds from the revenue enhancement program
4 and carryforward appropriations may be used to support costs in
5 excess of \$500,000.00.

6 (4) Unexpended appropriations of the revenue enhancement
7 program are designated as work project appropriations and shall not
8 lapse at the end of the fiscal year and shall continue to be
9 available for expenditure until the project has been completed. The
10 following is in compliance with section 451a of the management and
11 budget act, 1984 PA 431, MCL 18.1451a:

12 (a) The purpose of the project is to enhance revenue
13 collection activities.

14 (b) The project will be accomplished by contract.

15 (c) The total estimated cost of the project is \$24,600,000.00.

16 (d) The tentative completion date is September 30, 2009.

17 Sec. 948. By December 15, the department of treasury shall
18 report to the senate and house of representatives standing
19 committees on appropriations subcommittees on general government
20 and the senate and house fiscal agencies the number of tax returns,
21 to include state income tax returns, single business tax returns,
22 and Michigan business tax returns filed online by Michigan
23 residents in the immediately preceding fiscal year.

24 **REVENUE SHARING**

25 Sec. 950. (1) The funds appropriated in part 1 for
26 constitutional revenue sharing shall be distributed by the
27 department to cities, villages, and townships, as required under

1 section 10 of article IX of the state constitution of 1963. Revenue
2 collected in accordance with section 10 of article IX of the state
3 constitution of 1963 in excess of the amount appropriated in part 1
4 for constitutional revenue sharing is appropriated for distribution
5 to cities, villages, and townships, on a population basis as
6 required under section 10 of article IX of the state constitution
7 of 1963.

8 (2) The funds appropriated in part 1 for statutory revenue
9 sharing shall be distributed so that each city, village, and
10 township shall receive a combined total 2009 state fiscal year
11 constitutional distribution, under section 10 of article IX of the
12 state constitution of 1963, and statutory distribution, under this
13 subsection, that is equal to the total distribution the city,
14 village, or township received in the 2008 state fiscal year under
15 section 10 of article IX of the state constitution of 1963 and the
16 statutory distribution received under section 950(2) of PA 127 of
17 2007. In addition, each city, village, and township shall receive
18 an amount equal to 4% of the statutory amount the city, village, or
19 township received in the 2007 state fiscal year under the Glenn
20 Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901
21 to 141.921.

22 (3) If the amount appropriated in part 1 for statutory revenue
23 sharing is insufficient to fund the distributions calculated in
24 subsection (2), additional statutory revenue sharing shall be
25 automatically appropriated.

26 Sec. 952. The appropriation in part 1 for special grants to
27 cities shall be used to restore revenue sharing reductions

1 contained in Executive Order No. 2003-23 to a city that had an
2 emergency financial manager appointed pursuant to the local
3 government fiscal responsibility act, 1990 PA 72, MCL 141.1201 to
4 141.1291, continuously from December 10, 2003 through September 30,
5 2009.

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

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

19 **LOTTERY**

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

1 incentive and bonus payments to lottery retailers.

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

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

8 **CASINO GAMING**

9 Sec. 971. From the revenue collected by the Michigan gaming
10 control board regarding the total annual assessment of each casino
11 licensee, \$2,000,000.00 is appropriated and shall be deposited in
12 the compulsive gaming prevention fund as described in section
13 12a(5) of the Michigan gaming control and revenue act, the
14 Initiated Law of 1996, MCL 432.212a.

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

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

24 (2) A local revenue sharing board described in subsection (1)
25 shall comply with the open meetings act, 1976 PA 267, MCL 15.261 to
26 15.275, and the freedom of information act, 1976 PA 442, MCL 15.231
27 to 15.246.

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

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

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

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

27 **MICHIGAN STRATEGIC FUND**

1 Sec. 1001. (1) In addition to the funds appropriated in part
2 1, there is appropriated an amount not to exceed \$10,000,000.00 for
3 federal contingency funds. These funds are not available for
4 expenditure until they have been transferred to another line item
5 in this act under section 393(2) of the management and budget act,
6 1984 PA 431, MCL 18.1393.

7 (2) In addition to the funds appropriated in part 1, there is
8 appropriated an amount not to exceed \$1,000,000.00 for state
9 restricted contingency funds. These funds are not available for
10 expenditure until they have been transferred to another line item
11 in this act under section 393(2) of the management and budget act,
12 1984 PA 431, MCL 18.1393.

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

19 Sec. 1002. (1) The appropriation in part 1 to the fund for the
20 economic development job training program is focused on skills
21 businesses need to compete in the twenty-first century. The purpose
22 of this program is to develop a specific skill, for Michigan
23 residents identified for a particular Michigan business that
24 assists that company to compete in the global economy and to create
25 or retain high-paying jobs for Michigan residents.

26 (2) Not more than \$800,000.00 of the total appropriation in
27 part 1 may be expended for administrative costs by the fund. Not

1 more than 10% of the total grant award may be expended by a
2 recipient for administration costs.

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

7 (4) An applicant may be a school district, intermediate school
8 district, community college, public or private nonprofit college or
9 university, nonprofit organization whose primary purpose is to
10 provide education programs or employment and training services or
11 vocational rehabilitation programs or school-to-work transition
12 programs, local workforce development board, the headquarters of a
13 federal and state-sponsored manufacturing technology center, or a
14 consortium consisting of any combination of school districts,
15 intermediate school districts, community colleges, nonprofit
16 organizations described in this subsection, or public or private
17 nonprofit colleges or universities described in this subsection or
18 a business which creates at least 100 new jobs at a single location
19 in a period not to exceed 2 years from the date of the grant award,
20 or a business with less than 50 employees and an individual grant
21 award of less than \$20,000.00, or a consortium consisting of any
22 combination of any of the applicants listed.

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

1 (6) The award process will include a simple notice of intent
2 to be reviewed to see if the application merits further
3 consideration. If so, a full application may be submitted.

4 Applications for all grants shall be submitted to the fund, and
5 each application shall contain at least all of the following:

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

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

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

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

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

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

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

19 (b) Creation or retention of high wage and high skilled level
20 jobs within a predetermined time period. If the employer does not
21 create or retain the number of jobs specified within the
22 predetermined time period, the employer shall reimburse the state
23 for the entire direct grant awarded under this program, prorated to
24 the number of actual jobs created or trained compared to the number
25 in the original jobs identified in the grant application. The
26 number of jobs created and retained will be verified by the
27 employer via audit after the training is completed.

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

2 (8) Participants in the economic development job training
3 program shall be 16 years or older and not enrolled and counted in
4 membership in a school district, intermediate school district, or
5 community college, or any other program funded with state funding.
6 Any training provider that receives state appropriated funds shall
7 not include in the enrollment data reported for determining state
8 aid any student credit hours or student contact hours for a student
9 who is a participant in the economic development job training
10 program. Exclusions of these students is intended to avoid payment
11 of state aid for the same individuals for whom training costs are
12 paid for through the economic development job training program.

13 (9) A recipient of a grant under this section shall not charge
14 tuition or fees to participants in the program funded by the
15 economic development job training program grant. However, a
16 nonprofit organization may charge tuition or fees if the tuition
17 plan or fees are recognized by the state and the nonprofit
18 organization receives additional funding from other governmental or
19 private funding sources for its programs.

20 (10) For training delivered to incumbent workers, the employer
21 receiving the benefit of the training shall provide a minimum of up
22 to 50% of the program costs in matching funds as necessitated by
23 the program.

24 (11) Grant funds shall be expended on a cost reimbursement
25 basis.

26 (12) A recipient of a grant under this section shall allow the
27 fund or the agency's designee to audit all records related to the

1 grant for all entities that receive money, either directly or
2 indirectly through a contract, from the grant funds. A grant
3 recipient or contractor shall reimburse the state for all
4 disallowances found in the audit. Costs disallowed under subsection
5 (7)(b) based on the employer job creation and retention
6 requirements are not the same as the training costs that are
7 disallowed in this subsection.

8 (13) The fund shall provide to the state budget director and
9 the fiscal agencies by November 1 of each year a report on the
10 economic development job training program grants. The report shall
11 provide this information for each grant or contract awarded during
12 the preceding full fiscal year. The report shall contain all of the
13 following:

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

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

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

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

21 (14) As a condition of receiving funds under part 1 of this
22 act, the fund shall not expend any of the economic development job
23 training program funds to train any employee who is an officer of a
24 corporation in a corporation employing more than 250 employees.

25 Sec. 1003. The Michigan growth capital fund shall be used to
26 develop the technology business sector in Michigan. The Michigan
27 growth capital fund will be used to encourage private and public

1 investment in the technology business sector, and all of the
2 following apply:

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

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

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

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

21 (e) The Michigan economic development corporation shall
22 provide an annual report on the status of the Michigan growth
23 capital fund to the senate appropriations committee subcommittee on
24 economic development, the house appropriations committee
25 subcommittee on general government, the senate and house fiscal
26 agencies, and the state budget office by January 31.

27 Sec. 1004. Travel Michigan may establish and collect a fee to

1 cover the cost of materials and processing of photographic prints,
2 slides, videotapes, and travel product database information that
3 are requested by the media and other segments of the public and
4 private sectors. The fees collected shall be appropriated for all
5 expenses necessary to purchase and distribute these photographic
6 prints, slides, videotapes, and travel product database
7 information. The funds are available for expenditure when they are
8 received by the department of treasury.

9 Sec. 1005. Travel Michigan may receive and expend private
10 revenue related to the use of the "Michigan Great Lakes. Great
11 Times.", "The Upper Hand", and "Pure Michigan" copyrighted slogans
12 and images. This revenue may come from the direct licensing of the
13 name and image or from the royalty payments from various
14 merchandise sales. Revenue collected is appropriated for the
15 marketing of the state as a travel destination. The funds are
16 available for expenditure when they are received by the department
17 of treasury.

18 Sec. 1006. The fund shall submit on February 15 to the
19 subcommittees, the state budget office, and the fiscal agencies a
20 listing of all grants which have been awarded by the fund or by the
21 Michigan economic development corporation from the funds
22 appropriated in part 1. The list shall include all of the
23 following:

24 (a) The name of the recipient.

25 (b) The amount awarded to the recipient.

26 (c) The purpose of the grant.

27 Sec. 1007. (1) The fund shall provide reports to the relevant

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

8 (a) Travel Michigan.

9 (b) Business attraction, retention, and growth.

10 (c) Business services.

11 (d) Community development block grants.

12 (e) Strategic fund administration.

13 (f) Renaissance zones.

14 (g) 21st Century investment program.

15 (h) Business and clean air ombudsman.

16 (i) Economic development job training program grants.

17 (j) Any other programs of the fund.

18 (2) The reports in subsection (1) shall be submitted by
19 January 15. The report for each program in subsection (1)(a)
20 through (j) shall include details on the actual spending and number
21 of FTEs for that program for the previous fiscal year.

22 Sec. 1008. As a condition of receiving funds under part 1, any
23 interlocal agreement entered into by the fund shall include
24 language which states that if a local unit of government has a
25 contract or memorandum of understanding with a private economic
26 development agency, the Michigan economic development corporation
27 will work cooperatively with that private organization in that

1 local area.

2 Sec. 1009. (1) Of the funds appropriated to the fund or
3 through grants to the Michigan economic development corporation, no
4 funds shall be expended for the purchase of options on land or the
5 purchase of land unless at least 1 of the following conditions
6 applies:

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

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

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

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

22 Sec. 1010. The money appropriated in part 1 to the fund is
23 subject to the condition that none is spent for premiums or
24 advertising material involving personal effects or apparel
25 including, but not limited to, T-shirts, hats, coffee mugs, or
26 other promotional items, except travel Michigan.

27 Sec. 1011. (1) From the general fund/general purpose

1 appropriations in part 1 to the fund and granted or transferred to
2 the Michigan economic development corporation, any unexpended or
3 unencumbered balance shall be disposed of in accordance with the
4 requirements in the management and budget act, 1984 PA 431, MCL
5 18.1101 to 18.1594, unless carryforward authorization has been
6 otherwise provided for.

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

9 Sec. 1012. (1) As a condition of receiving funds under part 1,
10 the fund shall ensure that the MEDC and the fund comply with all of
11 the following:

12 (a) The freedom of information act, 1976 PA 442, MCL 15.231 to
13 15.246.

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

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

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

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

21 Sec. 1013. As a condition for receiving the appropriations in
22 part 1, any staff of the Michigan economic development corporation
23 involved in private fund-raising activities shall not be party to
24 any decisions regarding the awarding of grants or tax abatements
25 from the fund, the Michigan economic development corporation, or
26 the Michigan economic growth authority.

27 Sec. 1014. (1) The funding appropriated in part 1 of 2000 PA

1 291 for the Michigan core communities fund may be used to create an
2 urban revitalization infrastructure program in the fund for
3 economic development awards to create new jobs or contribute to
4 redevelopment and encourage private investment in core communities.

5 (2) Awards may be provided to qualified local governmental
6 units as defined in the obsolete property rehabilitation act, 2000
7 PA 146, MCL 125.2781 to 125.2797, or certified technology parks, as
8 defined in the local development financing act, 1986 PA 281, MCL
9 125.2151 to 125.2174.

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

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

25 (5) The Michigan economic development corporation shall have
26 all administrative responsibility for the Michigan core communities
27 fund and shall establish application and application scoring

1 criteria and approve awards. The Michigan economic development
2 corporation may utilize up to 1/2 of 1% of the fund for
3 administrative purposes.

4 (6) Funds will be awarded through an open competitive process
5 based on criteria including the following: project impact, project
6 marketability, lack of adequate infrastructure or land assembly
7 financing sources, local administrative capacity, and the level of
8 local matching funds. Awardees shall agree to expedite the local
9 development process, such as fast-track permitting procedures,
10 streamlined regulatory requirements, standardized construction and
11 building codes, and the use of competitive construction permitting
12 fees.

13 (7) No single applicant shall be awarded more than
14 \$10,000,000.00 per project.

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

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

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

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

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

27 (10) All funds received from repayment of loans, unused

1 grants, revenues received from sales or cash flow participation
2 agreements, guarantees, or any combination thereof or interest
3 thereon, originally distributed as part of the core communities
4 fund, shall be received, held, and applied by the fund for the
5 purposes described in this part.

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

9 Sec. 1015. The funds appropriated in part 1 to the Michigan
10 strategic fund for CDBG technical assistance grants shall be used
11 to fund technical assistance grants to local planning agencies that
12 received CDBG technical assistance grants in 2008 from the MEDC.
13 From the \$66,000.00 included in part 1 for CDBG technical
14 assistance grants, each of the qualifying agencies shall receive an
15 amount equal to the funding the agency received in the 2008 state
16 fiscal year from the MEDC.

17 Sec. 1016. The Michigan economic development corporation may
18 implement procedures to annually audit the number of jobs claimed
19 to be created by firms receiving tax credits or other economic
20 incentives.

21 Sec. 1018. (1) The funds appropriated in part 1 for the energy
22 efficiency pilot program shall be expended for pilot residential
23 energy efficiency programs in the cities of Ann Arbor, Grand
24 Rapids, and Lansing. Each city shall be awarded \$200,000.00 to
25 create or maintain 1 or more residential energy efficiency programs
26 within the city. A residential energy efficiency program funded in
27 whole or in part under this section shall be administered directly

1 by the city or through a subcontractor hired by the city. Funds
2 received under this section shall be used only as follows:

3 (a) Not more than \$25,000.00 shall be expended by each city
4 for program administration.

5 (b) Not more than \$25,000.00 shall be expended by each city
6 for equipment.

7 (c) Not more than \$150,000.00 shall be expended by each city
8 for any combination of the following:

9 (i) Low-interest or interest-free loans for residential energy
10 efficiency improvements.

11 (ii) Rebates for residential energy audits.

12 (iii) Rebates for residential energy efficiency improvements.

13 (2) As a condition of receiving funding under subsection (1),
14 the city shall submit a report for the immediately preceding fiscal
15 year ending September 30 to the senate and house standing
16 committees on appropriations subcommittees on general government,
17 the senate and house fiscal agencies, and the state budget director
18 by November 30 detailing the expenditures from the energy
19 efficiency grant program award.

20 Sec. 1020. Federal pass-through funds to local institutions
21 and governments that are received in amounts in addition to those
22 included in part 1 and that do not require additional state
23 matching funds are appropriated for the purposes intended. The fund
24 may carry forward into the succeeding fiscal year unexpended
25 federal pass-through funds to local institutions and governments
26 that do not require additional state matching funds. The fund shall
27 report the amount and source of the funds to the senate

1 appropriation subcommittee on economic development, the house
2 appropriation subcommittee on general government, the senate and
3 house fiscal agencies, and the state budget office within 10
4 business days after receiving any additional pass-through funds.

5 Sec. 1024. From the funds appropriated in part 1 for the 21st
6 century jobs fund program, all funds available to the strategic
7 economic investment and commercialization board from grant and loan
8 awards from the competitive edge technology grant and loan program
9 as created in 2005 PA 225 that are not accepted or claimed by
10 awardees shall be allocated for existing business incubator
11 programs in distressed areas. From the first \$1,500,000.00 of
12 returned funding, the Michigan strategic fund board shall fund
13 grants of up to \$500,000.00 to business incubator programs in each
14 of the distressed areas. As used in this section, "distressed area"
15 means a local governmental unit that meets 1 of the following
16 criteria:

17 (a) A city with a population greater than 750,000.

18 (b) A city with a population in the 2000 census between 11,000
19 and 12,000 that had a population loss of greater than 30% since
20 1970.

21 (c) A city with a population in the 2000 census between
22 124,000 and 125,000 that had a population loss of greater than 35%
23 since the 1970 census.

24 Sec. 1029. It is the intent of the legislature that the fund
25 only award tax breaks or other economic development incentives to
26 companies that give preference to Michigan workers.

REVENUE STATEMENT

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

BUDGET RECOMMENDATIONS BY OPERATING FUNDS

(Amounts in millions)

Fiscal Year 2008-2009

		Beginning		
	Fund	Unreserved		
	Fund	Estimated	Ending	
	Balance	Revenue	Balance	
OPERATING FUNDS				
General fund/general purpose	0110	125.5	9,734.7	10.9
General fund/special purpose		448.0	16,309.7	473.4
Special Revenue Funds:				
Countercyclical budget and				
economic stabilization	0111	102.2	4.3	106.5
Game and fish protection	0112	5.1	61.0	4.0
Michigan employment security act				
administration	0113	8.1	13.5	3.5
State aeronautics	0114	5.8	177.7	4.8
Michigan veterans' benefit				
trust	0115	0.0	4.3	0.0
State trunkline	0116	0.0	2,181.8	0.0
Michigan state waterways	0117	1.1	29.7	0.1
Blue Water Bridge	0118	0.0	14.5	0.0

1	Michigan transportation	0119	0.0	1,929.4	0.0
2	Comprehensive transportation	0120	0.0	312.6	0.0
3	School aid	0122	0.0	13,475.6	0.0
4	Game and fish protection trust	0124	6.0	12.8	6.0
5	State park improvement	0125	1.6	39.4	0.0
6	Forest development	0126	0.0	24.0	0.0
7	Michigan civilian conservation				
8	corps endowment	0128	0.3	0.0	0.3
9	Michigan natural resources				
10	trust	0129	33.5	52.5	37.4
11	Michigan state parks endowment	0130	7.6	16.7	5.0
12	Safety education and training	0131	2.8	9.0	2.8
13	Bottle deposit	0136	0.0	16.9	0.0
14	State construction code	0138	0.2	9.5	(2.8)
15	Children's trust	0139	1.3	10.1	1.0
16	State casino gaming	0140	1.6	34.3	1.6
17	Homeowner construction lien				
18	recovery	0141	3.0	1.4	2.4
19	Michigan nongame fish and				
20	wildlife	0143	0.2	0.6	0.1
21	Michigan merit award trust	0154	15.0	203.1	0.0
22	Outdoor recreation legacy	0162	0.0	2.3	0.0
23	Off-road vehicle account	0163	2.5	3.5	1.0
24	Snowmobile account	0164	2.2	9.6	0.2
25	Silicosis dust disease				
26	and logging	0870	3.2	1.3	2.5
27	Utility consumer representation	0893	3.5	1.3	3.6

1	TOTALS	\$780.3	\$44,697.1	\$664.3
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