

Act No. 345  
Public Acts of 2006  
Approved by the Governor\*  
August 15, 2006  
Filed with the Secretary of State  
August 16, 2006  
EFFECTIVE DATE: August 16, 2006

\*Item Vetoes

**ARTICLE 7**  
**DEPARTMENT OF ATTORNEY GENERAL**

Sec. 307.  
Entire Section. (Page 29)

Sec. 309.  
The words: "Any unexpended funds at the end of the fiscal year shall be carried forward for expenditure in the following fiscal year up to the maximum authorization of \$500,000.00." (Page 29)

**DEPARTMENT OF TREASURY**

Sec. 949b.  
Entire Section. (Page 45)

**ARTICLE 10**  
**CHILD AND FAMILY SERVICES**

Sec. 550. (1)  
Entire Subsection. (Page 74)

**ARTICLE 18**  
**MICHIGAN TRANSPORTATION FUND**

Sec. 504. (4)  
Entire Subsection. (Page 149)

**STATE TRUNKLINE FUND**

Sec. 613.  
Entire Section. (Page 150)

Sec. 615.  
Entire Section. (Page 150)

Sec. 616.  
Entire Section. (Page 150)

**STATE OF MICHIGAN  
93RD LEGISLATURE  
REGULAR SESSION OF 2006**

**Introduced by Reps. Hummel, Taub, Steil, Booher, Hansen, Acciavatti, Walker and Pastor**

**ENROLLED HOUSE BILL No. 5796**

AN ACT to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, capital outlay, the judicial branch, and the legislative branch for the fiscal years ending September 30, 2006 and September 30, 2007; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

*The People of the State of Michigan enact:*

ARTICLE 1

AGRICULTURE

PART 1

LINE-ITEM APPROPRIATIONS

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

**DEPARTMENT OF AGRICULTURE**

**APPROPRIATION SUMMARY:**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	690.0	
GROSS APPROPRIATION .....	\$	113,628,800
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		10,382,700
ADJUSTED GROSS APPROPRIATION .....	\$	103,246,100
Federal revenues:		
Total federal revenues .....		23,700,000
Special revenue funds:		
Total local revenues .....		0
Total private revenues .....		183,800
Total other state restricted revenues .....		48,449,000
State general fund/general purpose .....	\$	30,913,300

**Sec. 102. EXECUTIVE**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	51.0	
Commission and boards .....		\$ 47,300
Unclassified positions .....		354,000
Executive direction—10.0 FTE positions .....		1,119,600
Management services—34.5 FTE positions .....		2,647,700
Statistical reporting service—4.0 FTE positions .....		376,000
Emergency management—2.5 FTE positions .....		232,900
Human resources optimization user charges .....		40,100
GROSS APPROPRIATION .....		\$ 4,817,600
Appropriated from:		
Special revenue funds:		
Agricultural equine industry development fund .....		50,000
Gasoline inspection and testing fund .....		57,200
Industry support funds .....		32,300
Nonretail liquor fees .....		8,800
Refined petroleum fund .....		229,900
State services fee fund .....		577,000
Upper Peninsula state fair revenue .....		9,000
State general fund/general purpose .....		\$ 3,853,400

**Sec. 103. DEPARTMENTWIDE**

Rent and building occupancy charges .....		\$ 1,469,000
GROSS APPROPRIATION .....		\$ 1,469,000
Appropriated from:		
Federal revenues:		
DAG, multiple grants .....		106,300
EPA, multiple grants .....		64,800
HHS-FDA .....		13,900
Special revenue funds:		
Agricultural preservation fund .....		23,900
Groundwater and freshwater protection fund .....		10,100
Licensing and inspection fees .....		63,200
Nonretail liquor fees .....		8,400
Refined petroleum fund .....		114,000
State services fee fund .....		312,600
State general fund/general purpose .....		\$ 751,800

**Sec. 104. FOOD AND DAIRY**

Full-time equated classified positions .....	107.0	
Food safety and quality assurance—107.0 FTE positions .....		\$ 11,932,100
Local public health operations .....		8,878,700
GROSS APPROPRIATION .....		\$ 20,810,800
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDCH, local public health operations .....		8,878,700
Federal revenues:		
DAG, multiple grants .....		25,900
HHS-FDA .....		362,200
Special revenue funds:		
Civil penalties .....		47,700
Consumer and industry food safety education fund .....		250,000
Licensing and inspection fees .....		2,437,900
State general fund/general purpose .....		\$ 8,808,400

**Sec. 105. ANIMAL INDUSTRY**

Full-time equated classified positions .....	49.0	
Animal health and welfare—22.5 FTE positions .....		\$ 2,428,400
Bovine tuberculosis program—26.5 FTE positions .....		5,577,400
GROSS APPROPRIATION .....		\$ 8,005,800

Appropriated from:	
Federal revenues:	
DAG, multiple grants.....	\$ 1,099,400
HHS-FDA .....	70,800
Special revenue funds:	
Agriculture equine industry development fund .....	2,399,100
Licensing and inspection fees .....	105,000
State general fund/general purpose .....	\$ 4,331,500

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

Full-time equated classified positions .....	231.8
Pesticide and plant pest management—119.8 FTE positions .....	\$ 13,426,000
Emerald ash borer control program—112.0 FTE positions .....	13,782,000
GROSS APPROPRIATION .....	\$ 27,208,000

Appropriated from:	
Federal revenues:	
DAG, multiple grants.....	16,008,700
EPA, multiple grants .....	1,451,600
HHS-FDA .....	66,300
Special revenue funds:	
Private - slow-the-spread foundation.....	143,800
Commodity inspection fees .....	920,700
Horticulture fund.....	77,500
Industry support funds.....	331,500
Licensing and inspection fees .....	3,337,600
State general fund/general purpose .....	\$ 4,870,300

#### **Sec. 107. ENVIRONMENTAL STEWARDSHIP**

Full-time equated classified positions .....	47.0
Environmental stewardship—32.7 FTE positions.....	\$ 3,155,300
Groundwater and freshwater protection program—8.3 FTE positions .....	5,391,000
Farmland and open space preservation—6.0 FTE positions.....	946,300
Cooperative resources management initiative program .....	1,000,000
Agriculture pollution prevention program.....	400,100
Local conservation districts .....	1,516,800
Migrant labor housing.....	150,100
Aquifer protection program.....	50,000
GROSS APPROPRIATION .....	\$ 12,609,600

Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDEQ, aquifer protection and dispute resolution.....	50,000
IDG from MDEQ, biosolids.....	90,200
IDG from MDEQ, MAEAP .....	155,100
IDG from MDEQ, type II well survey .....	16,800
IDG from MDNR, district forestry and wildlife program .....	1,000,000
Federal revenues:	
DAG, multiple grants.....	400,000
United States department of labor .....	150,000
EPA, multiple grants .....	436,700
Corporation for national and community services.....	250,000
Special revenue funds:	
Agricultural preservation fund .....	875,900
Agriculture pollution prevention fund .....	100
Groundwater and freshwater protection fund.....	5,083,300
State general fund/general purpose .....	\$ 4,101,500

#### **Sec. 108. LABORATORY PROGRAM**

Full-time equated classified positions .....	148.0
Laboratory services—62.5 FTE positions .....	\$ 6,239,900

		For Fiscal Year Ending Sept. 30, 2007
USDA monitoring program—18.0 FTE positions .....	\$	2,070,700
Consumer protection program—67.5 FTE positions .....		4,948,600
GROSS APPROPRIATION .....	\$	13,259,200
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDLEG (LCC), liquor quality testing fees .....		189,100
Federal revenues:		
DAG, multiple grants.....		2,092,700
EPA, multiple grants.....		351,200
HHS-FDA .....		543,000
Special revenue funds:		
Gasoline inspection and testing fund .....		2,477,700
Refined petroleum fund.....		2,973,800
State services fee fund .....		519,700
Testing fees.....		434,500
Weights and measures regulation fees.....		650,300
State general fund/general purpose .....	\$	3,027,200
 <b>Sec. 109. AGRICULTURE DEVELOPMENT</b>		
Full-time equated classified positions.....	8.0	
Agriculture development—5.0 FTE positions.....	\$	901,800
Grape and wine program—3.0 FTE positions.....		670,000
Export market development program.....		50,000
Michigan agricultural surplus system.....		630,500
Michigan FFA association.....		80,000
Michigan 4-H foundation.....		20,000
GROSS APPROPRIATION .....	\$	2,352,300
Appropriated from:		
Federal revenues:		
DAG, multiple grants.....		206,500
Special revenue funds:		
Private - commodity group .....		40,000
Agriculture equine industry development fund.....		100,000
Industry support funds.....		159,000
Nonretail liquor fees .....		614,800
State services fee fund .....		350,700
State general fund/general purpose .....	\$	881,300
 <b>Sec. 110. FAIRS AND EXPOSITIONS</b>		
Full-time equated classified positions.....	16.5	
Upper Peninsula state fair—7.0 FTE positions .....	\$	1,351,500
Fairs, racing and producer security—9.5 FTE positions .....		1,104,300
Building and track improvement - county and state fairs .....		963,200
Premiums - county and state fairs .....		1,614,000
Purses and supplements - fairs/licensed tracks .....		3,031,700
Licensed tracks - light horse racing.....		170,900
Standardbred breeders' awards.....		1,273,000
Standardbred purses and supplements - licensed tracks .....		2,305,700
Standardbred sire stakes .....		1,040,000
Thoroughbred sire stakes .....		1,063,100
Standardbred training and stabling .....		44,900
Thoroughbred program .....		3,092,400
Thoroughbred owners' awards.....		159,900
Distribution of outstanding winning tickets .....		700,000
GROSS APPROPRIATION .....	\$	17,914,600
Appropriated from:		
Special revenue funds:		
Agriculture equine industry development fund.....		13,844,800

		For Fiscal Year Ending Sept. 30, 2007
Industry support funds.....	\$	10,600
Licensing and inspection fees.....		127,000
State services fee fund .....		2,580,700
Upper Peninsula state fair revenue .....		1,351,500
State general fund/general purpose .....	\$	0

#### **Sec. 111. OFFICE OF RACING COMMISSIONER**

Full-time equated classified positions.....	31.7	
Office of racing commissioner—31.7 FTE positions.....	\$	3,644,100
GROSS APPROPRIATION.....	\$	3,644,100
Appropriated from:		
Special revenue funds:		
State services fee fund .....		3,644,100
State general fund/general purpose .....	\$	0

#### **Sec. 112. INFORMATION TECHNOLOGY**

Information technology services and projects.....	\$	1,537,800
GROSS APPROPRIATION.....	\$	1,537,800
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDLEG (LCC), liquor quality testing fees .....		2,800
Special revenue funds:		
Agricultural preservation fund .....		200
Agriculture equine industry development fund.....		221,100
Gasoline inspection and testing fund .....		27,000
Groundwater and freshwater protection fund.....		100
Nonretail liquor fees .....		500
State services fee fund .....		997,300
Upper Peninsula state fair revenue .....		900
State general fund/general purpose .....	\$	287,900

## **PART 2**

### **PROVISIONS CONCERNING APPROPRIATIONS**

#### **GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is \$79,362,300.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is \$3,216,800.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

#### **DEPARTMENT OF AGRICULTURE**

Groundwater and freshwater protection program .....	\$	1,700,000
Local conservation districts.....		1,516,800
TOTAL .....	\$	3,216,800

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

Sec. 203. As used in this article:

- (a) "DAG" means the United States department of agriculture.
- (b) "Department" means the department of agriculture.
- (c) "Director" means the director of the department.
- (d) "EPA" means the United States environmental protection agency.

- (e) "FFA" means future farmers of America.
- (f) "FTE" means full-time equated.
- (g) "HHS-FDA" means the United States department of health and human services - food and drug administration.
- (h) "IDG" means interdepartmental grant.
- (i) "MAEAP" means the Michigan agriculture environmental assurance program.
- (j) "MDCH" means the Michigan department of community health.
- (k) "MDLEG (LCC)" means the Michigan department of labor and economic growth - liquor control commission.
- (l) "MDEQ" means the Michigan department of environmental quality.
- (m) "MDNR" means the Michigan department of natural resources.
- (n) "USDA" means the United States department of agriculture.

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

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

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

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

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

(2) In addition to the requirements in subsection (1), the purchase of goods or services, or both, if competitively priced and of comparable quality shall be Michigan goods or services, or both, if available. The department shall also encourage the use of Michigan-produced agricultural products by all state agencies and departments if competitively priced and of comparable quality and if available.

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. 212. (1) Of the funds appropriated in part 1, the department may provide for indemnity as provided for pursuant to the animal industry act, 1988 PA 466, MCL 287.701 to 287.745, not to exceed \$100,000.00 per order from any line item for the fiscal year ending September 30, 2007. Before the department provides for an indemnification under this section, the department shall report the reason for the indemnification, the amount of the indemnification, and to whom the indemnification is to be paid. The report shall be given to each member of the house and senate appropriations subcommittees on agriculture and to the senate and house fiscal agencies and the state budget director.

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

Sec. 214. Of the funds appropriated in part 1 that are other than line-item grants, the department shall not provide grants to local government agencies, institutions of higher education, or nonprofit organizations unless the department provides notice of the grant to the house and senate appropriations subcommittees on agriculture at least 10 days before the grant is issued. The grants shall be used to support research or other related activities for the purpose of enhancing the agricultural industries in this state.

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

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

Sec. 223. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2007 shall be limited to situations in which 1 or more of the following conditions apply:

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
- (d) The travel is necessary to comply with federal requirements.
- (e) The travel is necessary to secure specialized training for staff that is not available within this state.
- (f) The travel is financed entirely by federal or nonstate funds.

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

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

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

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

Sec. 225. In recognition of the important role it can play in attracting large-scale agricultural events, it is the intent of the legislature that the department of agriculture, in conjunction with interested parties, explore opportunities to expand the facilities and size of the Michigan State University pavilion for agriculture and livestock education.

Sec. 227. On or before April 1, 2007, the department shall provide to the senate and house appropriations subcommittees on agriculture and the senate and house fiscal agencies a summary report on the real and potential return on investment for each of the department's programs.



## **EXECUTIVE**

Sec. 301. Per diem rates for commodity committees established in the agriculture commodities marketing act, 1965 PA 232, MCL 290.651 to 290.674, 1970 PA 29, MCL 290.421 to 290.430, 1965 PA 114, MCL 290.551 to 290.568, and the beef industry commission act, 1972 PA 291, MCL 287.601 to 287.610, will be set based upon levels established in section 301 of 2002 PA 516.

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

- (a) Management services publications.
- (b) Management services audit and licensing functions.
- (c) Pesticide and plant pest management propagation and certification of virus free foundation stock.
- (d) Pesticide and plant pest management bean inspection and grading services.
- (e) Laboratory support testing for testing horses in draft horse pulling contests at county fairs when local jurisdictions request state assistance.
- (f) Laboratory support analyses to determine foreign substances in horses engaged in racing or pulling contests at tracks.
- (g) Laboratory support analyses of food, livestock, and agricultural products for disease, foreign products for disease, toxic materials, foreign substances, and quality standards.
- (h) Laboratory support test samples for other agencies and organizations.
- (i) Fruit and vegetable inspection at shipping and termination points and processing plants.

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

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

Sec. 304. (1) From the funds appropriated in section 108, not less than \$3,800,000.00 shall be used for the motor fuel quality program to ensure motor fuel quality and quantity. Notwithstanding the provisions of section 205, the department shall maintain additional field and laboratory staff for the motor fuel quality program.

(2) On or before January 1, 2007 and every 6 months thereafter, the department shall report to the senate and house appropriations subcommittees on agriculture and the senate and house fiscal agencies the results of both complaint-based and random-based inspections, including the number of inspections performed, samples collected, and compliance rates.

Sec. 305. From the appropriation for statistical reporting service in part 1, it is the intent of the legislature that the department, in consultation with representatives of the equine industry, conduct a survey of the equine industry in Michigan.

## **FOOD AND DAIRY**

Sec. 401. (1) The department shall monitor restaurant inspection and licensing functions carried out by local health departments to ensure uniform application and enforcement of minimum program requirements. On or before April 1, 2007, the department shall report to the senate and house appropriations subcommittees on agriculture, the senate and house fiscal agencies, and the state budget director on local health department conformance with minimum program requirements.

(2) If a local unit of government incurs additional costs resulting from its efforts to control a significant food-borne outbreak, the director shall seek additional resources to reimburse the local unit of government for these additional costs. The director shall involve the local health officer of the jurisdiction affected in all aspects of the control of any food-borne outbreak.

Sec. 402. Not later than April 1, 2007, the department shall provide a report to the house and senate appropriations subcommittees on agriculture and the house and senate fiscal agencies describing significant food-borne outbreaks and emergencies including any enforcement actions taken related to food safety during the 2005-2006 fiscal year.

Sec. 403. The department, in conjunction with the department of community health, shall assure that a process is in place that requires a local unit of government to obtain prior approval from the department before any reallocation or redistribution of program funds appropriated in section 104.

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

### **ANIMAL INDUSTRY**

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

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

### **ENVIRONMENTAL STEWARDSHIP**

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

Sec. 604. The appropriation in section 107 for local conservation districts shall be allocated in the following manner:

(a) Of the total appropriation, each local conservation district meeting the minimum grant requirements shall receive a grant of \$19,200.00 to support basic operations, unless the district resides in a county consisting of multiple districts, in which case a \$19,200.00 grant shall be divided equally among the districts in that county. The amount of money allocated under this subdivision shall not be used by local conservation districts to replace any money received from local sources.

(b) Any amount remaining from the appropriation after distributions under subdivision (a) shall be allocated for local conservation district training.

### **AGRICULTURE DEVELOPMENT**

Sec. 702. In any given year when insufficient amounts of Michigan surplus products are offered to the food bank council and accepted for distribution, unused funds may be applied by the food bank council for the direct purchase of foods from Michigan growers, manufacturers, or wholesalers.

Sec. 703. From the appropriation in part 1 for agriculture development, \$30,000.00 shall be provided to the northwest Michigan horticultural research station.

Sec. 704. Indirect costs may not be charged against the FFA grant in section 109 by any administering agency. The grant shall not be used by the administering agency to supplant existing resources dedicated to the FFA organization. The grant only shall be used, awarded, or expended for additional leadership activities, awards, or training programs that encourage agriculture as a career.

Sec. 705. The appropriation in section 109 for the export market development program shall be used to coordinate state participation in the federal market access program and to leverage federal and private funds for the purpose of developing new and enhancing existing export markets for Michigan agricultural products.

Sec. 706. Not later than April 1, 2007, the department shall provide a report to the house and senate appropriations subcommittees on agriculture and the house and senate fiscal agencies describing the department's agriculture development and export market development activities. The report shall identify grants awarded during the prior fiscal year, including a description of federal or private funds made available as a result of department activities.

Sec. 707. In awarding grants from the agricultural development fund created under the Julian-Stille value-added act, 2000 PA 322, MCL 285.302, the department shall give due consideration to the diversity of Michigan agriculture and its economic importance.

Sec. 708. The department is authorized to receive and expend funds appropriated from the agricultural development fund created in section 2 of the Julian-Stille value-added act, 2000 PA 322, MCL 285.302.

Sec. 709. (1) Not later than April 1, 2007, the department shall provide a report to the house and senate appropriations subcommittees on agriculture and the house and senate fiscal agencies describing the activities of the grape and wine industry council established under section 303 of the Michigan liquor control act of 1998, 1998 PA 58, MCL 436.1303.

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

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

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

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

Sec. 710. The department may match external funding for domestic and international marketing programs for the purpose of developing new and enhancing existing export markets for Michigan agricultural products.

## **FAIRS AND EXPOSITIONS**

Sec. 801. The department shall submit a report each month to the state budget director, the senate and house appropriations subcommittees on agriculture, and the senate and house fiscal agencies that states the simulcasting revenues generated in the preceding month by each licensed track and the amount received from license fees.

Sec. 802. From the amount appropriated in section 110 for purses and supplements - fairs/licensed tracks, \$280,000.00 is to be used for state purse supplements at state licensed pari-mutuel tracks for races comprised only of Michigan-bred horses segregated into a 4-year-old colt trot division, a 4-year-old filly trot division, a 4-year-old colt pace division, and a 4-year-old filly pace division.

Sec. 803. Included in the appropriation made in section 110 for the thoroughbred program is \$30,500.00 for the Michigan united thoroughbred breeders and owners association to conduct a thoroughbred yearling show. The Michigan united thoroughbred breeders and owners association shall submit to the department an itemized list of expenses showing that the expenses of the yearling show were paid.

Sec. 804. From the funds appropriated in section 110 for thoroughbred owners' awards, awards shall be distributed pursuant to section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320.

Sec. 805. The department shall notify the senate and house appropriations subcommittees and the fiscal agencies of any planned reductions in appropriations, allocations, or expenditures from the agriculture equine industry development fund no less than 10 days before such reductions are implemented.

Sec. 806. A county fair, district fair, 4-H fair, or state fair receiving funds in section 110 to be used for prizes or awards, in whole or in part, as a condition precedent to the receiving of the funds for those purposes, shall publish the rules relative to the prizes, awards, and deadlines for entries eligible for the funds in their official premium books or lists relative to the prizes or awards. An aggrieved exhibitor may make a written complaint to the fair within 10 days after the fair ends. If the fair has not satisfactorily settled the grievance within 45 days after it is submitted to the fair, the aggrieved person may file the complaint with the department and the department shall investigate the complaint and make a finding of fact regarding the complaint and take appropriate action regarding the complaint.

Sec. 807. Of the amount appropriated in section 110 for purses and supplements - fairs/licensed tracks, a sufficient amount is appropriated to provide for overnight purse supplements pursuant to the horse racing law of 1995, 1995 PA 279, MCL 431.301 to 431.336.

Sec. 808. Of the amount appropriated in section 110 for premiums - county and state fairs, \$91,400.00 shall be expended to reimburse up to 75% premiums paid to large livestock and equine exhibitors in shows or exhibitions held by statewide associations as defined by the department. Livestock expositions shall be limited to participation in this program and prohibited from participation in any state-funded premium programs. The Michigan horse show association fall youth show shall be included.

Sec. 809. From the appropriations for premiums - county and state fairs in section 110, \$40,000.00 shall be awarded through a competitive grant program to local, regional, or state fairs or youth education programs to promote youth involvement and adult exhibitions in the animal agriculture industry.

Sec. 811. The funds appropriated in section 110 for distribution of outstanding winning tickets are not available for expenditure until they are deposited in the Michigan agriculture equine industry development fund pursuant to section 2 of 1951 PA 90, MCL 431.252. These funds shall be expended in accordance with section 2 of 1951 PA 90, MCL 431.252. The department shall provide notice to the house and senate appropriations subcommittees on agriculture at least 10 days before the funds are expended. This notice shall include the amount that each program receives from the outstanding winning ticket revenue deposited in the Michigan agriculture equine industry development fund.

## **OFFICE OF RACING COMMISSIONER**

Sec. 901. The racing commissioner may pay rewards of not more than \$5,800.00 to a person who provides information that results in the arrest and conviction on a felony or misdemeanor charge for a crime that involves the horse racing industry. A reward paid pursuant to this section shall be paid out of the office of racing commissioner line item.

## **ARTICLE 7**

### **GENERAL GOVERNMENT**

#### **PART 1**

#### **LINE-ITEM APPROPRIATIONS**

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the departments of attorney general, civil rights, civil service, information technology, management and budget, state, and treasury, the executive office, the legislative branch, and certain other state purposes, for the fiscal year ending September 30, 2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

### **TOTAL GENERAL GOVERNMENT**

#### **APPROPRIATION SUMMARY:**

Full-time equated unclassified positions .....	49.0	
Full-time equated classified positions .....	7,089.4	
GROSS APPROPRIATION .....		\$ 2,913,277,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....	588,867,600	
ADJUSTED GROSS APPROPRIATION .....		\$ 2,324,409,600
Federal revenues:		
Total federal revenues .....	55,540,200	
Special revenue funds:		
Total local revenues .....	2,766,200	
Total private revenues .....	550,100	
Total other state restricted revenues .....	1,658,248,000	
State general fund/general purpose .....		\$ 607,305,100

**Sec. 102. DEPARTMENT OF ATTORNEY GENERAL**

**(1) APPROPRIATION SUMMARY**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	559.0	
GROSS APPROPRIATION .....		\$ 68,532,300
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		13,914,300
ADJUSTED GROSS APPROPRIATION .....		\$ 54,618,000
Federal revenues:		
Total federal revenues .....		10,236,500
Special revenue funds:		
Total local revenues .....		0
Total private revenues .....		0
Total other state restricted revenues .....		11,485,500
State general fund/general purpose .....		\$ 32,896,000

**(2) ATTORNEY GENERAL OPERATIONS (EFFECTIVE GOVERNMENT, SAFETY)**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	559.0	
Attorney general .....		\$ 124,900
Unclassified positions—5.0 FTE positions .....		476,300
Attorney general operations—519.0 FTE positions .....		62,154,000
Child support enforcement—25.0 FTE positions .....		2,851,500
Prosecuting attorneys coordinating council—15.0 FTE positions .....		1,860,900
PACC, training project .....		325,000
GROSS APPROPRIATION .....		\$ 67,792,600

Appropriated from:

Interdepartmental grant revenues:		
IDG from MDCH, health services .....		1,780,300
IDG from MDHS .....		3,209,200
IDG from MDLEG, financial and insurance services .....		1,068,300
IDG from MDLEG, public utility assessments .....		1,965,300
IDG from MDMB, risk management revolving fund .....		1,321,300
IDG from MDOT, comprehensive transportation fund .....		153,400
IDG from MDOT, state aeronautics fund .....		151,400
IDG from MDOT, state trunkline fund .....		2,708,300
IDG from MDSP, Michigan justice training fund .....		325,000
IDG from Michigan gaming control board .....		979,500
IDG from treasury, land reutilization fund .....		252,300
Federal revenues:		
DAG, state administrative match grant/food stamps .....		387,700
DED-OPSE, student loan, federal lender allowance .....		320,200
DOL-ETA, unemployment insurance .....		1,564,500
DOL-OSHA, occupational safety and health .....		274,700
EPA, multiple grants .....		280,800
Federal funds .....		2,624,200
HHS, medical assistance, medigrant .....		628,100
HHS-OS, state Medicaid fraud control units .....		4,156,300
Special revenue funds:		
Antitrust enforcement collections .....		627,200
Attorney general's operations fund .....		838,200
Auto repair facilities fees .....		225,500
Collections revenue .....		683,200
Environmental response fund .....		760,400
Franchise fees .....		282,600
Game and fish protection fund .....		740,800
Liquor purchase revolving fund .....		1,025,100
Manufactured housing fees .....		219,900
Merit award trust fund .....		406,700

		For Fiscal Year Ending Sept. 30, 2007
Michigan state housing development authority fees.....	\$	552,300
Oil and gas privilege fee revenue .....		198,600
Prisoner reimbursement.....		445,800
Prosecuting attorneys training fees .....		357,700
Real estate enforcement fund .....		226,000
Retirement funds.....		730,000
Second injury fund .....		999,800
Self-insurers security fund.....		168,700
Silicosis and dust disease fund .....		516,000
State building authority revenue.....		94,700
State hospital authority .....		357,500
State lottery fund .....		239,700
Utility consumers fund .....		539,500
Waterways fund.....		96,700
Worker's compensation administrative revolving fund .....		152,900
State general fund/general purpose .....	\$	32,156,300
<b>(3) INFORMATION TECHNOLOGY (EFFECTIVE GOVERNMENT)</b>		
Information technology services and projects.....	\$	739,700
GROSS APPROPRIATION.....	\$	739,700
Appropriated from:		
State general fund/general purpose .....	\$	739,700

## **Sec. 103. DEPARTMENT OF CIVIL RIGHTS**

### **(1) APPROPRIATION SUMMARY**

Full-time equated unclassified positions .....	5.0	
Full-time equated classified positions .....	136.0	
GROSS APPROPRIATION.....		\$ 14,020,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		0
ADJUSTED GROSS APPROPRIATION.....		\$ 14,020,200
Federal revenues:		
Total federal revenues .....		1,566,200
Special revenue funds:		
Total local revenues .....		0
Total private revenues.....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....		\$ 12,454,000

### **(2) CIVIL RIGHTS OPERATIONS (VULNERABLE)**

Full-time equated unclassified positions .....	5.0	
Full-time equated classified positions.....	136.0	
Unclassified positions—5.0 FTE positions .....		\$ 264,100
Civil rights operations—136.0 FTE positions .....		12,967,100
Human resources optimization user charges.....		8,500
GROSS APPROPRIATION.....		\$ 13,239,700
Appropriated from:		
Federal revenues:		
EEOC, state and local antidiscrimination agency contracts.....		1,024,800
HUD, grant.....		541,400
State general fund/general purpose .....		\$ 11,673,500

### **(3) INFORMATION TECHNOLOGY (VULNERABLE)**

Information technology services and projects.....	\$	780,500
GROSS APPROPRIATION.....	\$	780,500
Appropriated from:		
State general fund/general purpose .....	\$	780,500

## **Sec. 104. DEPARTMENT OF CIVIL SERVICE**

### **(1) APPROPRIATION SUMMARY**

Full-time equated classified positions .....	240.5	
GROSS APPROPRIATION.....		\$ 36,547,100

For Fiscal Year  
Ending Sept. 30,  
2007

Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....	\$	5,788,100
ADJUSTED GROSS APPROPRIATION .....	\$	30,759,000
Federal revenues:		
Total federal revenues .....		4,779,100
Special revenue funds:		
Total local revenues .....		1,700,000
Total private revenues .....		150,000
Total other state restricted revenues .....		17,157,500
State general fund/general purpose .....	\$	6,972,400
<b>(2) CIVIL SERVICE OPERATIONS (EFFECTIVE GOVERNMENT)</b>		
Full-time equated classified positions .....	240.5	
Agency services—118.5 FTE positions .....	\$	12,840,100
Executive direction—45.0 FTE positions .....		8,586,900
Employee benefits—31.0 FTE positions .....		5,769,500
Audit and compliance—16.0 FTE positions .....		2,114,600
Training .....		1,300,000
Human resources optimization—30.0 FTE positions .....		2,117,200
GROSS APPROPRIATION .....	\$	32,728,300
Appropriated from:		
Interdepartmental grant revenues:		
IDG, training charges .....		1,300,000
IDG, 1% special funds .....		1,300,000
IDG, human resources optimization user charges .....		2,117,200
Federal revenues:		
Federal funds 1% .....		3,637,100
Special revenue funds:		
Local funds 1% .....		1,700,000
Private funds 1% .....		150,000
Freedom of information fees .....		1,100
State restricted funds 1% .....		7,744,300
State sponsored group insurance .....		2,650,000
State sponsored group insurance, flexible spending accounts, and COBRA .....		5,769,500
State general fund/general purpose .....	\$	6,359,100
<b>(3) INFORMATION TECHNOLOGY (EFFECTIVE GOVERNMENT)</b>		
Information technology services and projects .....	\$	3,818,800
GROSS APPROPRIATION .....	\$	3,818,800
Appropriated from:		
Interdepartmental grant revenues:		
IDG, human resources optimization user charges .....		1,070,900
Federal revenues:		
Federal funds 1% .....		1,142,000
Special revenue funds:		
State restricted funds 1% .....		852,300
State sponsored group insurance, flexible spending accounts, and COBRA .....		140,300
State general fund/general purpose .....	\$	613,300
<b>Sec. 105. EXECUTIVE OFFICE</b>		
<b>(1) APPROPRIATION SUMMARY</b>		
Full-time equated unclassified positions .....	10.0	
Full-time equated classified positions .....	74.2	
GROSS APPROPRIATION .....	\$	5,509,900
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		0
ADJUSTED GROSS APPROPRIATION .....	\$	5,509,900
Federal revenues:		
Total federal revenues .....		0

Special revenue funds:		
Total local revenues .....	\$	0
Total private revenues.....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	5,509,900
<b>(2) EXECUTIVE OFFICE OPERATIONS (EFFECTIVE GOVERNMENT)</b>		
Full-time equated unclassified positions .....		10.0
Full-time equated classified positions .....		74.2
Governor.....	\$	177,000
Lieutenant governor .....		123,900
Executive office—74.2 FTE positions.....		4,359,200
Unclassified positions—8.0 FTE positions.....		849,800
GROSS APPROPRIATION .....	\$	5,509,900
Appropriated from:		
State general fund/general purpose .....	\$	5,509,900

## **Sec. 106. DEPARTMENT OF INFORMATION TECHNOLOGY**

### **(1) APPROPRIATION SUMMARY**

Full-time equated unclassified positions .....		6.0
Full-time equated classified positions .....		1,776.4
GROSS APPROPRIATION .....	\$	378,222,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		378,222,000
ADJUSTED GROSS APPROPRIATION .....		0

#### Federal revenues:

Total federal revenues .....		0
Special revenue funds:		
Total local revenues .....		0
Total private revenues.....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	0

### **(2) ADMINISTRATION (EFFECTIVE GOVERNMENT)**

Full-time equated unclassified positions .....		6.0
Full-time equated classified positions .....		1,776.4
Unclassified positions—6.0 FTE positions.....	\$	300,000
Enterprisewide services—75.0 FTE positions.....		23,574,000
Health and human services—775.6 FTE positions.....		209,190,600
Education services—38.9 FTE positions.....		3,173,500
Public protection—302.0 FTE positions .....		39,860,800
Resources services—171.1 FTE positions .....		16,769,900
Transportation services—107.0 FTE positions .....		27,504,900
General services—306.8 FTE positions .....		57,848,300
GROSS APPROPRIATION .....	\$	378,222,000

#### Appropriated from:

#### Interdepartmental grant revenues:

IDG from department of agriculture .....		1,537,800
IDG from department of attorney general .....		739,700
IDG from department of civil rights.....		780,500
IDG from department of civil service .....		3,818,800
IDG from department of community health.....		31,427,100
IDG from department of corrections .....		16,618,500
IDG from department of education .....		2,614,700
IDG from department of environmental quality.....		6,810,400
IDG from Michigan gaming control board .....		1,286,000
IDG from department of history, arts, and libraries .....		953,100
IDG from department of human services .....		136,083,900
IDG from department of labor and economic growth.....		43,188,500
IDG from bureau of state lottery .....		4,497,300



		For Fiscal Year Ending Sept. 30, 2007
IDG from department of management and budget.....	\$	28,433,600
IDG from department of military and veterans affairs.....		1,161,700
IDG from department of natural resources.....		9,002,900
IDG from department of state .....		23,629,300
IDG from department of state police.....		21,035,700
IDG from department of transportation .....		27,876,500
IDG from department of treasury.....		16,726,000
State general fund/general purpose .....	\$	0

## **Sec. 107. LEGISLATURE**

### **(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION.....	\$	116,576,400
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		0
ADJUSTED GROSS APPROPRIATION.....	\$	116,576,400
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues .....		0
Total private revenues.....		400,000
Total other state restricted revenues .....		1,109,800
State general fund/general purpose .....	\$	115,066,600

### **(2) LEGISLATURE (EFFECTIVE GOVERNMENT)**

Senate .....	\$	30,285,900
Senate automated data processing .....		2,683,800
Senate fiscal agency .....		3,223,500
House of representatives .....		46,893,200
House automated data processing.....		2,131,500
House fiscal agency .....		3,119,100
GROSS APPROPRIATION.....	\$	88,337,000
Appropriated from:		
State general fund/general purpose .....	\$	88,337,000

### **(3) LEGISLATIVE COUNCIL (EFFECTIVE GOVERNMENT)**

Legislative council.....	\$	10,520,100
Legislative service bureau automated data processing.....		1,447,200
Worker's compensation.....		140,000
National association dues .....		103,000
GROSS APPROPRIATION.....	\$	12,210,300
Appropriated from:		
Special revenue funds:		
Private - gifts and bequests revenues .....		400,000
State general fund/general purpose .....	\$	11,810,300

### **(4) LEGISLATIVE RETIREMENT SYSTEM (EFFECTIVE GOVERNMENT)**

General nonretirement expenses .....	\$	4,533,900
GROSS APPROPRIATION.....	\$	4,533,900
Appropriated from:		
Special revenue funds:		
Court fees.....		1,109,800
State general fund/general purpose .....	\$	3,424,100

### **(5) PROPERTY MANAGEMENT (EFFECTIVE GOVERNMENT)**

Capitol building.....	\$	2,363,700
Cora Anderson building.....		8,163,600
Farnum building and other properties .....		967,900
GROSS APPROPRIATION.....	\$	11,495,200
Appropriated from:		
State general fund/general purpose .....	\$	11,495,200

**Sec. 108. OFFICE OF THE AUDITOR GENERAL**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION.....	\$	16,347,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		1,801,500
ADJUSTED GROSS APPROPRIATION.....	\$	14,546,000
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues .....		0
Total private revenues.....		0
Total other state restricted revenues .....		1,539,900
State general fund/general purpose .....	\$	13,006,100

**(2) OFFICE OF THE AUDITOR GENERAL (EFFECTIVE GOVERNMENT)**

Unclassified positions.....	\$	313,500
Field operations .....		16,034,000
GROSS APPROPRIATION.....	\$	16,347,500

Appropriated from:

Interdepartmental grant revenues:

IDG from MDCS.....		107,900
IDG from MDLEG, liquor purchase revolving fund.....		11,300
IDG from MDOT, comprehensive transportation fund .....		25,200
IDG from MDOT, Michigan transportation fund.....		204,300
IDG from MDOT, state aeronautics fund .....		19,600
IDG from MDOT, state trunkline fund .....		474,600
IDG, single audit act .....		958,600

Special revenue funds:

Cadillac local development finance authority .....		12,000
Clean Michigan initiative implementation bond fund .....		37,500
Commercial mobile radio system emergency telephone fund .....		37,500
Construction lien fund .....		7,200
Contract audit administration fees.....		52,700
Correctional industries revolving fund.....		31,300
Fee adequacy, air quality delegated authority .....		9,400
Game and fish protection fund .....		21,400
Legislative retirement system.....		18,700
Marine safety fund .....		1,900
Michigan economic development corporation.....		41,200
Michigan education trust fund.....		30,000
Michigan justice training commission fund.....		28,100
Michigan state fair revolving fund .....		33,000
Michigan state housing development authority fees.....		22,100
Michigan strategic fund .....		87,500
Michigan tobacco settlement authority .....		75,000
Michigan veterans' trust fund .....		24,400
Motor transport revolving fund .....		4,700
Office services revolving fund .....		6,800
State disbursement unit, office of child support.....		25,000
State services fee fund .....		926,900
Waterways fund.....		5,600
State general fund/general purpose .....	\$	13,006,100

**Sec. 109. DEPARTMENT OF MANAGEMENT AND BUDGET**

**(1) APPROPRIATION SUMMARY**

Full-time equated unclassified positions .....	7.0	
Full-time equated classified positions.....	752.0	
GROSS APPROPRIATION.....	\$	476,142,000

For Fiscal Year  
Ending Sept. 30,  
2007

Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....	\$	155,293,500
ADJUSTED GROSS APPROPRIATION .....	\$	320,848,500
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues .....		0
Total private revenues .....		0
Total other state restricted revenues .....		52,438,900
State general fund/general purpose .....	\$	268,409,600
<b>(2) MANAGEMENT AND BUDGET SERVICES (EFFECTIVE GOVERNMENT)</b>		
Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	588.5	
Unclassified positions—6.0 FTE positions .....	\$	570,800
Executive operations—21.0 FTE positions .....		2,444,900
Administrative services—61.5 FTE positions .....		6,337,300
Budget and financial management—113.5 FTE positions .....		10,319,300
Office of the state employer—23.0 FTE positions .....		2,719,900
Design and construction services—40.0 FTE positions .....		5,162,600
Business support services—88.5 FTE positions .....		7,898,300
Building operation services—241.0 FTE positions .....		87,546,000
Building occupancy charges, rent, and utilities .....		4,179,600
Human resources optimization user charges .....		64,200
Motor vehicle fleet .....		56,724,200
GROSS APPROPRIATION .....	\$	183,967,100
Appropriated from:		
Interdepartmental grant revenues:		
IDG from building occupancy and parking charges .....		90,280,400
IDG from department of labor and economic growth .....		100,000
IDG from MDCH .....		425,800
IDG from MDHS .....		102,400
IDG from MDOT, comprehensive transportation fund .....		60,300
IDG from MDOT, state aeronautics fund .....		37,500
IDG from MDOT, state trunkline fund .....		1,319,000
IDG from motor transport fund .....		56,724,200
IDG from user fees .....		5,175,700
Special revenue funds:		
Game and fish protection fund .....		249,300
Health management funds .....		1,684,400
Marine safety fund .....		22,400
Special revenue, internal service, and pension trust funds .....		9,002,100
State building authority revenue .....		587,200
State lottery fund .....		108,600
State services fee fund .....		75,300
Waterways fund .....		56,700
State general fund/general purpose .....	\$	17,955,800
<b>(3) STATEWIDE APPROPRIATIONS (EFFECTIVE GOVERNMENT)</b>		
Professional development fund - AFSCME .....	\$	50,000
Professional development fund - MPES .....		125,000
GROSS APPROPRIATION .....	\$	175,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG from employer contributions .....		175,000
State general fund/general purpose .....	\$	0
<b>(4) SPECIAL PROGRAMS (EFFECTIVE GOVERNMENT, VULNERABLE)</b>		
Full-time equated classified positions .....	154.5	
Building occupancy charges - property management services for executive/legislative building occupancy .....	\$	1,878,200

		For Fiscal Year Ending Sept. 30, 2007
Retirement services—140.5 FTE positions .....	\$	16,044,800
Office of children's ombudsman—14.0 FTE positions .....		1,384,800
GROSS APPROPRIATION .....	\$	19,307,800
Appropriated from:		
Special revenue funds:		
Deferred compensation .....		1,542,400
Pension trust funds .....		14,502,400
State general fund/general purpose .....	\$	3,263,000
<b>(5) STATE FAIR (THRIVING ECONOMY)</b>		
Full-time equated unclassified positions .....	1.0	
Full-time equated classified positions .....	9.0	
Unclassified positions—1.0 FTE position .....	\$	101,000
Michigan state fair operations—9.0 FTE positions .....		6,360,400
Michigan state fair information technology .....		88,800
GROSS APPROPRIATION .....	\$	6,550,200
Appropriated from:		
Special revenue funds:		
State exposition and fairgrounds fund .....		6,550,200
State general fund/general purpose .....	\$	0
<b>(6) INFORMATION TECHNOLOGY (EFFECTIVE GOVERNMENT)</b>		
Information technology services and projects .....	\$	28,344,800
GROSS APPROPRIATION .....	\$	28,344,800
Appropriated from:		
Interdepartmental grant revenues:		
IDG from building occupancy and parking charges .....		655,700
IDG from MDOT, comprehensive transportation fund .....		2,100
IDG from MDOT, state aeronautics fund .....		1,100
IDG from MDOT, state trunkline fund .....		47,500
IDG from user fees .....		186,800
Special revenue funds:		
Deferred compensation .....		2,600
Game and fish protection fund .....		9,800
Health management funds .....		41,700
Marine safety fund .....		900
MAIN user charges .....		3,773,700
Pension trust funds .....		6,563,300
Special revenue, internal service, and pension trust funds .....		2,554,600
State building authority revenue .....		9,700
State lottery fund .....		4,600
Waterways fund .....		2,000
State general fund/general purpose .....	\$	14,488,700
<b>(7) STATE BUILDING AUTHORITY RENT (EFFECTIVE GOVERNMENT)</b>		
State building authority rent - state agencies .....	\$	55,293,000
State building authority rent - department of corrections .....		61,645,500
State building authority rent - universities .....		106,518,500
State building authority rent - community colleges .....		14,340,100
GROSS APPROPRIATION .....	\$	237,797,100
Appropriated from:		
Special revenue funds:		
Commercial mobile radio suppliers fund .....		3,300,000
Roosevelt parking facility reimbursement .....		275,000
State lottery fund .....		1,520,000
State general fund/general purpose .....	\$	232,702,100

## Sec. 110. DEPARTMENT OF STATE

### (1) APPROPRIATION SUMMARY

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	1,853.8	
GROSS APPROPRIATION .....	\$	204,793,500

For Fiscal Year  
Ending Sept. 30,  
2007

Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	\$ 20,000,000
ADJUSTED GROSS APPROPRIATION .....	\$ 184,793,500
Federal revenues:	
Total federal revenues .....	3,052,100
Special revenue funds:	
Total local revenues .....	0
Total private revenues .....	100
Total other state restricted revenues .....	162,608,600
State general fund/general purpose .....	\$ 19,132,700
<b>(2) EXECUTIVE DIRECTION (EFFECTIVE GOVERNMENT)</b>	
Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	30.2
Secretary of state .....	\$ 124,900
Unclassified positions—5.0 FTE positions .....	459,200
Operations—30.2 FTE positions .....	2,712,000
GROSS APPROPRIATION .....	\$ 3,296,100
Appropriated from:	
Special revenue funds:	
Auto repair facilities fees .....	60,500
Driver fees .....	116,900
Expedient service fees .....	51,800
Parking ticket court fines .....	8,300
Personal identification card fees .....	12,200
Reinstatement fees - operator licenses .....	131,400
Transportation administration collection fund .....	2,179,700
Vehicle theft prevention fees .....	35,600
State general fund/general purpose .....	\$ 699,700
<b>(3) DEPARTMENT SERVICES (MOBILITY, EFFECTIVE GOVERNMENT)</b>	
Full-time equated classified positions .....	172.3
Operations—163.8 FTE positions .....	\$ 23,775,400
Assigned claims assessments—6.5 FTE positions .....	743,200
Motorcycle safety education administration—2.0 FTE positions .....	382,100
Motorcycle safety education grants .....	1,400,000
GROSS APPROPRIATION .....	\$ 26,300,700
Appropriated from:	
Federal revenues:	
Federal funds .....	55,700
Special revenue funds:	
Abandoned vehicle fees .....	666,200
Assigned claims assessments .....	743,200
Auto repair facilities fees .....	415,000
Child support clearance fees .....	34,300
Driver fees .....	394,300
Expedient service fees .....	248,100
Marine safety fund .....	74,500
Motorcycle safety fund .....	1,782,100
Off-road vehicle title fees .....	7,700
Parking ticket court fines .....	52,700
Personal identification card fees .....	83,000
Reinstatement fees - operator licenses .....	536,600
Scrap tire fund .....	68,500
Snowmobile registration fee revenue .....	17,700
Transportation administration collection fund .....	20,356,400
Vehicle theft prevention fees .....	243,400
State general fund/general purpose .....	\$ 521,300

**(4) REGULATORY SERVICES (MOBILITY, EFFECTIVE GOVERNMENT)**

Full-time equated classified positions .....	245.1	
Operations—245.1 FTE positions .....		\$ 22,617,800
County clerk education and training .....		100,000
GROSS APPROPRIATION .....		\$ 22,717,800

Appropriated from:

Federal revenues:

Federal funds .....		102,500
Special revenue funds:		
Auto repair facilities fees .....		4,644,800
Commercial driver training school fees .....		70,500
Driver fees .....		1,693,200
Expedient service fees .....		33,300
Notary education and training fund .....		100,000
Notary fee fund .....		311,900
Parking ticket court fines .....		20,700
Personal identification card fees .....		47,700
Reinstatement fees - operator licenses .....		1,704,700
Transportation administration collection fund .....		11,779,400
Vehicle theft prevention fees .....		1,580,900
State general fund/general purpose .....	\$	628,200

**(5) CUSTOMER DELIVERY SERVICES (EFFECTIVE GOVERNMENT, MOBILITY)**

Full-time equated classified positions .....	1,377.7	
Branch operations—957.4 FTE positions .....		\$ 73,410,800
Central operations—404.1 FTE positions .....		36,201,900
Commemorative license plates—16.2 FTE positions .....		2,147,300
Specialty license plates .....		1,922,000
Olympic center plate .....		75,700
Organ donor program .....		104,100
GROSS APPROPRIATION .....	\$	113,861,800

Appropriated from:

Interdepartmental grant revenues:

IDG from MDOT, Michigan transportation fund .....		20,000,000
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Federal revenues:

Federal funds .....		2,893,900
Special revenue funds:		
Private funds .....		100
Auto repair facilities fees .....		93,100
Child support clearance fees .....		395,500
Driver fees .....		13,733,000
Expedient service fees .....		2,853,800
Marine safety fund .....		1,144,000
Michigan state police auto theft fund .....		115,600
Mobile home commission fees .....		476,000
Off-road vehicle title fees .....		122,700
Parking ticket court fines .....		1,590,500
Personal identification card fees .....		1,527,100
Reinstatement fees - operator licenses .....		1,152,500
Snowmobile registration fee revenue .....		335,200
Transportation administration collection fund .....		60,581,200
Vehicle theft prevention fees .....		209,500
State general fund/general purpose .....	\$	6,638,100

**(6) ELECTION REGULATION (EFFECTIVE GOVERNMENT)**

Full-time equated classified positions .....	28.5	
Election administration and services—25.5 FTE positions .....		\$ 2,821,600
Fees to local units .....		69,800
Qualified voter file—3.0 FTE positions .....		1,833,900
GROSS APPROPRIATION .....	\$	4,725,300

Appropriated from:  
State general fund/general purpose ..... \$ 4,725,300

**(7) DEPARTMENTWIDE APPROPRIATIONS (EFFECTIVE GOVERNMENT)**

Building occupancy charges/rent ..... \$ 9,795,500  
Worker's compensation..... 467,000  
GROSS APPROPRIATION ..... \$ 10,262,500

Appropriated from:  
Special revenue funds:  
Auto repair facilities fees ..... 142,000  
Driver fees ..... 436,800  
Expedient service fees..... 14,400  
Parking ticket court fines..... 470,800  
Transportation administration collection fund ..... 6,364,500  
State general fund/general purpose ..... \$ 2,834,000

**(8) INFORMATION TECHNOLOGY (EFFECTIVE GOVERNMENT)**

Information technology services and projects..... \$ 23,629,300  
GROSS APPROPRIATION ..... \$ 23,629,300

Appropriated from:  
Special revenue funds:  
Administrative order processing fee..... 11,000  
Auto repair facilities fees ..... 180,800  
Child support clearance fees..... 16,300  
Driver fees ..... 1,332,200  
Expedient service fees..... 453,900  
Parking ticket court fines..... 83,300  
Personal identification card fees..... 876,100  
Reinstatement fees - operator licenses..... 469,200  
Transportation administration collection fund ..... 16,948,200  
Vehicle theft prevention fees ..... 172,200  
State general fund/general purpose ..... \$ 3,086,100

**Sec. 111. DEPARTMENT OF TREASURY**

**(1) APPROPRIATION SUMMARY**

Full-time equated unclassified positions .....9.0  
Full-time equated classified positions.....1,697.5  
GROSS APPROPRIATION ..... \$ 1,596,586,300  
Interdepartmental grant revenues:  
Total interdepartmental grants and intradepartmental transfers ..... 13,848,200  
ADJUSTED GROSS APPROPRIATION..... \$ 1,582,738,100

Federal revenues:  
Total federal revenues ..... 35,906,300  
Special revenue funds:  
Total local revenues ..... 1,066,200  
Total private revenues..... 0  
Total other state restricted revenues ..... 1,411,907,800  
State general fund/general purpose ..... \$ 133,857,800

**(2) EXECUTIVE DIRECTION (EFFECTIVE GOVERNMENT)**

Full-time equated unclassified positions .....9.0  
Full-time equated classified positions.....5.0  
Unclassified positions—9.0 FTE positions ..... \$ 812,600  
Office of the director—5.0 FTE positions ..... 820,900  
GROSS APPROPRIATION ..... \$ 1,633,500

Appropriated from:  
Special revenue funds:  
State lottery fund ..... 158,400  
State services fee fund ..... 198,300  
State general fund/general purpose ..... \$ 1,276,800

**(3) DEPARTMENTWIDE APPROPRIATIONS (EFFECTIVE GOVERNMENT)**

Travel.....	\$	1,415,900
Rent and building occupancy charges - property management services .....		5,715,300
Worker's compensation insurance premium .....		216,000
GROSS APPROPRIATION .....	\$	7,347,200

Appropriated from:

Special revenue funds:

Delinquent tax collection revenue .....		3,580,600
State general fund/general purpose .....	\$	3,766,600

**(4) LOCAL GOVERNMENT PROGRAMS (EFFECTIVE GOVERNMENT)**

Full-time equated classified positions .....	106.0	
Supervision of the general property tax law—83.0 FTE positions.....	\$	13,411,200
Property tax assessor training—4.0 FTE positions .....		412,300
Local finance—19.0 FTE positions .....		2,338,300
GROSS APPROPRIATION .....	\$	16,161,800

Appropriated from:

Special revenue funds:

Local - assessor training fees .....		412,300
Local - audit charges.....		563,900
Local - equalization study charge-backs.....		40,000
Local - revenue from local government.....		50,000
Land reutilization fund .....		6,917,200
Municipal finance fees .....		458,200
State education tax collections.....		50,000
State general fund/general purpose .....	\$	7,670,200

**(5) TAX PROGRAMS (EFFECTIVE GOVERNMENT, RESOURCE CONSERVATION, VULNERABLES)**

Full-time equated classified positions .....	766.0	
Customer contact—186.0 FTE positions.....	\$	13,966,500
Tax compliance—338.0 FTE positions .....		30,675,700
Tax policy—38.0 FTE positions .....		4,496,200
Tax processing—150.0 FTE positions.....		15,141,300
Revenue enhancement program—50.0 FTE positions .....		5,856,800
Home heating assistance.....		2,101,300
Bottle bill implementation.....		250,000
New hire reporting.....		1,545,000
Tobacco tax collection—4.0 FTE positions .....		332,000
GROSS APPROPRIATION .....	\$	74,364,800

Appropriated from:

Interdepartmental grant revenues:

IDG, data/collection services fees .....		50,900
IDG from MDHS .....		1,545,000
IDG from MDOT, Michigan transportation fund .....		8,354,900
IDG from MDOT, state aeronautics fund .....		64,700

Federal revenues:

HHS-SSA, low-income energy assistance.....		2,101,300
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Special revenue funds:

Bottle deposit fund .....		250,000
Delinquent tax collection revenue .....		55,357,700
Tobacco tax collection and enforcement .....		332,000
Tobacco tax revenue .....		375,600
Waterways fund .....		75,900
State general fund/general purpose .....	\$	5,856,800

**(6) BANKING AND MANAGEMENT SERVICES (EFFECTIVE GOVERNMENT)**

Full-time equated classified positions .....	328.5	
Human resources optimization user charges.....	\$	82,900
Human resources, program management, and purchasing—30.0 FTE positions.....		3,039,000
Mail operations—20.0 FTE positions.....		2,077,900



	For Fiscal Year Ending Sept. 30, 2007
Economic and revenue forecasting—15.5 FTE positions .....	\$ 1,401,400
Unclaimed property—21.0 FTE positions .....	3,438,100
Collections—170.0 FTE positions .....	16,833,500
Finance and accounting—32.0 FTE positions .....	1,635,300
Receipts processing—40.0 FTE positions .....	2,841,500
GROSS APPROPRIATION .....	\$ 31,349,600
Appropriated from:	
Interdepartmental grant revenues:	
IDG data/collection services fees .....	204,400
IDG from MDHS, title IV-D .....	599,500
IDG, levy/warrant cost assessment fees .....	1,848,800
IDG, state agency collection fees .....	565,700
Special revenue funds:	
Delinquent tax collection revenue .....	15,736,800
Escheats revenue .....	3,438,100
Garnishment fees .....	510,800
Justice system fund .....	605,500
Treasury fees .....	181,100
State general fund/general purpose .....	\$ 7,658,900
<b>(7) FINANCIAL PROGRAMS (PREPARED FOR JOBS, EFFECTIVE GOVERNMENT)</b>	
Full-time equated classified positions .....	213.0
Investments—78.0 FTE positions .....	\$ 14,426,700
Michigan education savings program .....	1,000,000
Michigan merit award administration—5.0 FTE positions .....	1,544,200
Common cash and debt management—11.5 FTE positions .....	1,201,500
Student financial assistance programs—118.5 FTE positions .....	35,298,200
GROSS APPROPRIATION .....	\$ 53,470,600
Appropriated from:	
Interdepartmental grant revenues:	
IDG, fiscal agent service fees .....	167,700
Federal revenues:	
DED-OPSE, federal lenders allowance .....	10,289,000
DED-OPSE, higher education act of 1965, insured loans .....	22,983,100
Special revenue funds:	
College work-study .....	46,300
Michigan merit award trust fund .....	2,954,100
Retirement funds .....	13,341,600
School bond fees .....	590,900
Treasury fees .....	1,241,400
State general fund/general purpose .....	\$ 1,856,500
<b>(8) DEBT SERVICE (RESOURCE CONSERVATION)</b>	
Water pollution control bond and interest redemption .....	\$ 2,458,200
Quality of life bond .....	59,300,000
Clean Michigan initiative .....	36,900,000
Great Lakes water quality bond .....	1,500,000
GROSS APPROPRIATION .....	\$ 100,158,200
Appropriated from:	
Special revenue funds:	
Refined petroleum fund .....	23,914,500
State general fund/general purpose .....	\$ 76,243,700
<b>(9) GRANTS (THRIVING ECONOMY, EFFECTIVE GOVERNMENT, HEALTH, SAFETY)</b>	
Grants to counties in lieu of taxes .....	\$ 5,000
Convention facility development distribution .....	58,850,000
Senior citizen cooperative housing tax exemption program .....	18,800,000
Commercial mobile radio service payments .....	17,900,000
Health and safety fund grants .....	25,000,000
Qualified agricultural loan payments .....	2,500,000

		For Fiscal Year Ending Sept. 30, 2007
Renaissance zone reimbursement.....	\$	2,630,000
GROSS APPROPRIATION.....	\$	125,685,000
Appropriated from:		
Special revenue funds:		
Commercial mobile radio service fees.....		17,900,000
Convention facility development fund .....		58,850,000
Health and safety fund .....		25,000,000
State general fund/general purpose .....	\$	23,935,000
<b>(10) BUREAU OF STATE LOTTERY (THRIVING ECONOMY)</b>		
Full-time equated classified positions.....	173.0	
Lottery operations—173.0 FTE positions.....	\$	19,326,100
Human resources optimization user charges.....		10,600
Promotion and advertising.....		18,622,000
Lottery information technology services and projects.....		4,497,300
GROSS APPROPRIATION.....	\$	42,456,000
Appropriated from:		
Special revenue funds:		
State lottery fund .....		42,456,000
State general fund/general purpose .....	\$	0
<b>(11) CASINO GAMING (THRIVING ECONOMY)</b>		
Full-time equated classified positions.....	106.0	
Michigan gaming control board.....	\$	50,000
Casino gaming control administration—106.0 FTE positions .....		18,376,200
Human resources optimization user charges.....		7,000
Casino gaming information technology services and projects.....		1,286,000
GROSS APPROPRIATION.....	\$	19,719,200
Appropriated from:		
Special revenue funds:		
Casino gambling agreements.....		383,500
State services fee fund .....		19,335,700
State general fund/general purpose .....	\$	0
<b>(12) REVENUE SHARING (EFFECTIVE GOVERNMENT)</b>		
Constitutional state general revenue sharing grants .....	\$	698,925,000
Statutory state general revenue sharing grants .....		407,485,000
Special census revenue sharing payments .....		892,400
Special grants.....		212,000
GROSS APPROPRIATION.....	\$	1,107,514,400
Appropriated from:		
Special revenue funds:		
Sales tax .....		1,106,410,000
State general fund/general purpose .....	\$	1,104,400
<b>(13) INFORMATION TECHNOLOGY (EFFECTIVE GOVERNMENT)</b>		
Treasury operations information technology services and projects.....	\$	16,726,000
GROSS APPROPRIATION.....	\$	16,726,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDOT, Michigan transportation fund .....		446,600
Federal revenues:		
DED-OPSE, federal lender allowance .....		532,900
Special revenue funds:		
Delinquent tax collection revenue .....		10,183,000
Land reutilization fund .....		20,000
Michigan merit award trust fund.....		407,500
Retirement funds.....		647,100
State general fund/general purpose .....	\$	4,488,900

## PART 2

### PROVISIONS CONCERNING APPROPRIATIONS

#### **GENERAL SECTIONS**

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is \$2,265,553,100.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is \$1,248,390,700.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

#### DEPARTMENT OF STATE

Fees to local units.....	\$	69,800
Motorcycle safety education grants .....		1,400,000
Subtotal .....	\$	1,469,800

#### DEPARTMENT OF TREASURY

Senior citizen cooperative housing tax exemption .....	\$	18,800,000
Grants to counties in lieu of taxes.....		5,000
Health and safety fund grants .....		25,000,000
Constitutional state general revenue sharing grants .....		698,925,000
Statutory state general revenue sharing grants .....		407,485,000
Convention facility development fund distribution .....		58,850,000
Commercial mobile radio service payments .....		15,221,500
Renaissance zone reimbursements .....		2,630,000
Special grants .....		212,000
Special census revenue sharing payments .....		892,400
Airport parking distribution pursuant to section 909.....		18,900,000
Subtotal .....	\$	1,246,920,900
TOTAL GENERAL GOVERNMENT .....	\$	1,248,390,700

(2) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 2006-2007 is estimated at \$28,062,027,500.00 in the 2006-2007 appropriations acts and total state spending from state sources paid to local units of government for fiscal year 2006-2007 is estimated at \$16,029,076,400.00. The state-local proportion is estimated at 57.12% of total state spending from state resources.

(3) If payments to local units of government and state spending from state sources for fiscal year 2006-2007 are different than the amounts estimated in subsection (2), the state budget director shall report the payments to local units of government and state spending from state sources that were made for fiscal year 2006-2007 to the senate and house of representatives standing committees on appropriations within 30 days after the final book-closing for fiscal year 2006-2007.

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

Sec. 203. As used in this article:

- (a) "AFSCME" means American federation of state, county, and municipal employees.
- (b) "COBRA" means the consolidated omnibus budget reconciliation act of 1985, Public Law 99-272, 100 Stat. 82.
- (c) "CPI" means consumer price index.
- (d) "DAG" means the United States department of agriculture.
- (e) "DED-OPSE" means the United States department of education, office of postsecondary education.
- (f) "DOL-ETA" means the United States department of labor, employment and training administration.
- (g) "DOL-OSHA" means the United States department of labor, occupational safety and health administration.
- (h) "EEOC" means the United States equal employment opportunity commission.
- (i) "EPA" means the United States environmental protection agency.
- (j) "FTE" means full-time equated.
- (k) "GF/GP" means general fund/general purpose.
- (l) "HHS" means the United States department of health and human services.
- (m) "HHS-OS" means the HHS office of the secretary.
- (n) "HHS-SSA" means the HHS social security administration.
- (o) "HUD" means the United States department of housing and urban development.

- (p) "IDG" means interdepartmental grant.
- (q) "JCOS" means the joint capital outlay subcommittee.
- (r) "MAIN" means the Michigan administrative information network.
- (s) "MCL" means the Michigan Compiled Laws.
- (t) "MDCH" means the Michigan department of community health.
- (u) "MDCS" means the Michigan department of civil service.
- (v) "MDHS" means the Michigan department of human services.
- (w) "MDLEG" means the Michigan department of labor and economic growth.
- (x) "MDMB" means the Michigan department of management and budget.
- (y) "MDOT" means the Michigan department of transportation.
- (z) "MDSP" means the Michigan department of state police.
- (aa) "MPES" means the Michigan professional employees society.
- (bb) "PA" means public act.
- (cc) "PACC" means the prosecuting attorneys coordinating council.

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

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

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

Sec. 208. Unless otherwise specified, departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this article. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

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

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, that 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:

	2005	2006
Michigan personal income (millions) .....	\$335,164	\$348,571
less: transfer payments.....	51,756	56,070
Subtotal .....	283,409	292,501
Divided by: Detroit CPI for 12 months ending June 30 .....	1.878	1.944
Equals: Real adjusted Michigan personal income .....	\$150,910	\$150,438

Percentage change .....	- 0.3%
Percentage change in excess of 2% .....	0.0%
Multiplied by: estimated GF/GP revenue in FY 2005-2006 (millions) .....	8,281.7
Equals: countercyclical budget and economic stabilization fund calculation for the fiscal year ending September 30, 2007 .....	\$0.0

Sec. 212. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed.

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

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

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

Sec. 216. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2007 shall be limited to situations in which 1 or more of the following conditions apply:

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
- (d) The travel is necessary to comply with federal requirements.
- (e) The travel is necessary to secure specialized training for staff that is not available within this state.
- (f) The travel is financed entirely by federal or nonstate funds.

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

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

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

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

Sec. 220. Funds appropriated in this article shall not be used to establish, operate, or administer a payroll deduction plan that enables classified state employees to make contributions to either a committee, as defined in section 3 of the Michigan campaign finance act, 1976 PA 388, MCL 169.203, or a political organization, as defined in section 527 of the internal revenue code.

## **DEPARTMENT OF ATTORNEY GENERAL**

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

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

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

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

Sec. 304. The department of attorney general is responsible for the legal representation for state of Michigan state employee worker's disability compensation cases. The risk management revolving fund revenue appropriation in part 1 is to be satisfied by billings from the department of attorney general for the actual costs of legal representation, including salaries and support costs.

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

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

Sec. 307. In addition to the antitrust revenues in part 1, antitrust, securities fraud, consumer protection or class action enforcement revenues, or attorney fees recovered by the department, not to exceed \$1,000,000.00, are appropriated to the department for antitrust, securities fraud, and consumer protection or class action enforcement cases. Any unexpended funds from antitrust, securities fraud, or consumer protection or class action enforcement revenues at the end of the fiscal year, including antitrust funds in part 1, shall be carried forward for expenditure in the following fiscal year up to the maximum authorization of \$1,000,000.00.

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

(2) The funds may be expended for the payment of litigation expenses, court judgments and settlements, or attorney fees assessed against the office of the governor, the department of the attorney general, the governor, or the attorney general when acting in an official capacity as the named party in litigation against the state. The funds may also be expended for the payment of state costs incurred under section 16 of chapter X of the code of criminal procedure, 1927 PA 175, MCL 770.16.

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

Sec. 309. From the prisoner reimbursement funds appropriated in part 1, the department may spend up to \$445,800.00 on activities related to the state correctional facilities reimbursement act, 1935 PA 253, MCL 800.401 to 800.406. In addition to the funds appropriated in part 1, if the department collects in excess of \$1,131,000.00 in gross annual prisoner reimbursement receipts provided to the general fund, the excess, up to a maximum of \$1,000,000.00, is appropriated to the department of attorney general and may be spent on the representation of the department of corrections and its officers, employees, and agents, including, but not limited to, the defense of litigation against the state, its departments, officers, employees, or agents in civil actions filed by prisoners. Any unexpended funds at the end of the fiscal year shall be carried forward for expenditure in the following fiscal year up to the maximum authorization of \$500,000.00.

Sec. 310. (1) For the purposes of providing title IV-D child support enforcement funding, the department of human services, as the state IV-D agency, shall maintain a cooperative agreement with the attorney general for federal IV-D funding to support the child support enforcement activities within the office of the attorney general.

(2) The attorney general or his or her designee shall, to the extent allowable under federal law, have access to any information used by the state to locate parents who fail to pay court-ordered child support.

## **DEPARTMENT OF CIVIL RIGHTS**

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

- (a) Developing and presenting training for employers on equal employment opportunity law and procedures.
- (b) The publication and sale of civil rights related informational material.
- (c) The provision of copy material made available under freedom of information requests.
- (d) Other copy fees, subpoena fees, and witness fees.
- (e) Developing, presenting, and participating in mediation processes for certain civil rights cases.

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

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

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

## **DEPARTMENT OF CIVIL SERVICE**

Sec. 502. (1) All restricted funds shall be assessed a sum not less than 1% of the total aggregate payroll paid from those funds for financing the department of civil service on the basis of actual 1% restricted sources total aggregate payroll of the classified service for fiscal year 2006 in accordance with section 5 of article XI of the state constitution of 1963. This includes, but is not limited to, restricted funds appropriated in part 1 of any appropriations act. Unexpended 1% appropriated funds shall be returned to each 1% fund source at the end of the fiscal year.

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

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

Sec. 503. Except where specifically appropriated for this purpose, 1% of the financing from restricted sources shall be credited to the department of civil service. For restricted sources of funding within the general fund that have the legislative authority for carryover, if current spending authorization or revenues are insufficient to accept the charge, the shortage shall be taken from carryforward balances of that funding source. Restricted revenue sources that do not have carryforward authority shall be utilized to satisfy departmental operating deducts first and civil service obligations second. General fund dollars are appropriated for any shortfall, pursuant to approval by the state budget director.

Sec. 504. The appropriation in part 1 to the department of civil service, for state-sponsored group insurance, flexible spending accounts, and COBRA, represents amounts, in part, included within the various appropriations throughout state government for the current fiscal year to fund the flexible spending account program included within the department of civil service. Deposits against state-sponsored group insurance, flexible spending accounts, and COBRA for the flexible spending account program shall be made from assessments levied during the current fiscal year in a manner prescribed by the department of civil service. Unspent employee contributions to the flexible spending accounts may be used to offset administrative costs for the flexible spending account program, with any remaining balance of unspent employee contributions to be lapsed to the general fund.

## **INFORMATION TECHNOLOGY**

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

(2) Funds accepted by the department of information technology under subsection (1) are appropriated and allotted when received and may be expended upon approval of the state budget director. The state budget office shall notify the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies within 10 days after the approval is given.

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

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

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

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

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

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

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

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

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

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

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



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

Sec. 579. The department of information technology shall provide a report that analyzes and makes recommendations on the life-cycle of information technology hardware and software. The report shall be submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1.

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

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

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

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

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

## **LEGISLATURE**

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

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

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

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

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

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

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

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

Sec. 606. The appropriations in part 1 to the legislative branch, for property management, shall be used to purchase equipment and services for building maintenance in order to ensure a safe and productive work environment. These funds are designated as work project appropriations and shall not lapse at the end of the fiscal year, and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$500,000.00, and the tentative completion date is September 30, 2011.

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

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

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

## **OFFICE OF THE AUDITOR GENERAL**

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

Sec. 621. (1) The auditor general shall take all reasonable steps to ensure that certified minority- and women-owned and operated accounting firms, and accounting firms owned and operated by persons with disabilities participate in the audits of the books, accounts, and financial affairs of each principal executive department, branch, institution, agency, and office of this state.

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

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

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

Sec. 623. Any audits, reviews, or investigations requested of the auditor general by the legislature or by legislative leadership, legislative committees, or individual legislators shall include an estimate of the additional costs involved and, when those costs exceed \$50,000.00, should provide supplemental funding. The auditor general shall determine whether to perform those activities in keeping with Audit Directive No. 29, which describes the office of the auditor general's policy on responding to legislative requests.

## **DEPARTMENT OF MANAGEMENT AND BUDGET**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(5) The department of management and budget may charge state agencies for fuel cost increases that exceed \$2.27 per gallon of unleaded gasoline. Revenues received from these charges are appropriated upon receipt.

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

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

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

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

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

(d) Whether the acquisition of goods or services from a vendor that is an expatriated business entity located in a tax haven country or an affiliate of an expatriated business entity located in a tax haven country would be detrimental to the state of Michigan, its residents, or the state's economy. As used in this section, "expatriated business entity" means a corporation or an affiliate of the corporation incorporated in a tax haven country after September 11, 2001, but with the United States as the principal market for the public trading of the corporation's stock, as determined by the director of the department of management and budget. "Tax haven country" means each of the following: Barbados, Bermuda, British Virgin Islands, Cayman Islands, Commonwealth of the Bahamas, Cyprus, Gibraltar, Isle of Man, the Principality of Liechtenstein, the Principality of Monaco, and the Republic of the Seychelles.

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

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

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

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

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

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

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

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

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

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

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

## **STATE BUILDING AUTHORITY**

Sec. 725. (1) Subject to section 242 of the management and budget act, 1984 PA 431, MCL 18.1242, and upon the approval of the state building authority, the department may expend from the general fund of the state during the fiscal year ending September 30, 2007 an amount to meet the cash flow requirements of those state building authority projects solely for lease to a state agency identified in both part 1 and this section, and for which state building authority bonds or notes have not been issued, and for the sole acquisition by the state building authority of equipment and furnishings for lease to a state agency as permitted by 1964 PA 183, MCL 830.411 to 830.425, for which the issuance of bonds or notes is authorized by a legislative concurrent resolution that is effective for the fiscal year ending September 30, 2007. Any general fund advances for which state building authority bonds have not been issued shall bear an interest cost to the state building authority at a rate not to exceed that earned by the state treasurer's common cash fund during the period in which the advances are outstanding and are repaid to the general fund of the state.

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

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

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

Sec. 726. (1) State building authority funding to finance construction or renovation of a facility that collects revenue in excess of money required for the operation of that facility shall not be released to a university or community college unless the institution agrees to reimburse that excess revenue to the state building authority. The excess revenue shall be credited to the general fund to offset rent obligations associated with the retirement of bonds issued for that facility. The auditor general shall annually identify and present an audit of those facilities that are subject to this section. Costs associated with the administration of the audit shall be charged against money recovered pursuant to this section.

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

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

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

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

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

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

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

## **DEPARTMENT OF STATE**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 815. (1) At least 60 days prior to the announcement of secretary of state branch office closings, consolidations, or relocations, the department of state shall inform members of the senate and house of representatives standing committees on appropriations and legislators who represent affected areas regarding the details of the proposal. The information provided shall be in written form and include all analyses done regarding criteria for changes in the location of branch offices, including, but not limited to, branch transactions, revenue, and the impact on citizens of the affected area. The impact on citizens shall include information regarding additional distance to branch office locations resulting from the plan. The written notice provided by the department of state shall also include detailed estimates of costs and savings that will result from the overall changes made to the branch office structure.

(2) Prior to October 4, 2006, the department of state shall provide a report to the senate and house of representatives standing committees on appropriations subcommittees on general government regarding the department's branch optimization plan that was announced on April 26, 2004. The report shall include a listing of all closed offices detailing savings by office, including lease, utilities, and all other savings associated with the closed office. The department shall provide the same level of detail regarding costs for new leased facilities and expansions of current leased space.



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

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

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

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

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

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

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

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

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

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

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

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

## **DEPARTMENT OF TREASURY**

### **OPERATIONS**

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

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

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

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

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

Sec. 904. (1) The department of treasury, through its bureau of investments, may charge an investment service fee against the applicable retirement funds. The fees may be expended for necessary salaries, wages, contractual services, supplies, materials, equipment, travel, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement funds. Service fees shall not exceed the aggregate amount appropriated in part 1. The department of treasury shall maintain accounting records in sufficient detail to enable the retirement funds to be reimbursed periodically for fee revenue that is determined by the department of treasury to be surplus.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) Of the funds appropriated in part 1 to the department of treasury for the senior citizens' cooperative housing tax exemption program, a portion is to be utilized for a program audit of the program. The department of treasury shall forward copies of the audit report to the senate and house of representatives standing committees on appropriations subcommittees on general government and to the state budget office. The department of treasury may utilize up to 1% of the funds for program administration and auditing.

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

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

Sec. 916. The department of treasury may make available to interested entities otherwise unavailable customized unclaimed property listings of nonconfidential information in its possession. The charge for this information is as follows: 1 to 100,000 records at 2.5 cents per record and 100,001 or more records at .5 cents per record. The revenue received from this service shall be deposited to the appropriate revenue account or fund. The department shall submit an annual report on or before June 1 to the state budget director and the senate and house of representatives standing committees on appropriations that states the amount of revenue received from the sale of information.

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

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

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

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

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

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

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

Sec. 922. The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director by November 30 stating the amount of Michigan transportation fund revenue collected and the cost of collection.

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

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

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

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

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

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

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

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

Sec. 932. Revenue received under the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1442, may be expended by the board of directors of the Michigan education trust for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 946. Members of the state tax commission and management level staff of the assessment and certification division may meet with statewide assessment organizations on a quarterly basis for the purpose of coordinating assessment and training activities. Recertification and training activities may be conducted at regional locations chosen to maximize participation of local officials.

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

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

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

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

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

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

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

Sec. 949b. From the funds appropriated in part 1, the state treasurer shall develop a cost allocation plan to identify the actual costs of work based on time and effort performed by the department of treasury for state restricted transportation funds. The cost allocation plan shall specifically identify the costs of collecting constitutionally restricted motor fuel taxes. The cost allocation plan shall be submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, the auditor general, and the state budget director by November 1. The cost allocation plan shall be subject to audit by the auditor general.

## **REVENUE SHARING**

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

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

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

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

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

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

## **LOTTERY**

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

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

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

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

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

## **CASINO GAMING**

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

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

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

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

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

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

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

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

## **REVENUE STATEMENT**

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

### **BUDGET RECOMMENDATIONS BY OPERATING FUNDS**

(Amounts in millions)

Fiscal Year 2006-2007

	Fund	Beginning Unreserved Fund Balance	Estimated Revenue	Ending Balance
<b>OPERATING FUNDS</b>				
General fund/general purpose .....	0110	136.7	9020.4	0.0
General fund/special purpose .....		478.7	15,297.5	662.7
Special Revenue Funds:				
Countercyclical budget and economic stabilization.....	0111	2.0	0.1	2.1
Game and fish protection .....	0112	18.9	63.2	4.0
Michigan employment security act administration.....	0113	0.0	123.4	4.1
State aeronautics.....	0114	1.4	182.3	0.0
Michigan veterans' benefit trust.....	0115	0.0	4.9	0.0
State trunkline.....	0116	0.0	1,200.1	0.0
Michigan state waterways.....	0117	14.9	25.5	7.6
Blue Water Bridge.....	0118	0.0	16.3	0.0
Michigan transportation.....	0119	0.0	2,080.2	0.0
Comprehensive transportation.....	0120	4.0	158.8	0.0
School aid.....	0122	93.8	13,022.9	0.0
Marine safety .....	0123	1.0	5.0	0.0
Game and fish protection trust.....	0124	6.0	12.0	6.0
State park improvement .....	0125	3.6	41.5	0.0
Forest development.....	0126	11.7	30.3	4.1



Michigan civilian conservation corps endowment .....	0128	0.3	6.0	0.0
Michigan natural resources trust.....	0129	34.1	54.7	30.8
Michigan state parks endowment .....	0130	10.9	16.2	7.8
Safety education and training .....	0131	4.9	7.1	2.6
Bottle deposit.....	0136	0.0	18.5	0.0
State construction code .....	0138	5.7	10.2	0.0
Children's trust.....	0139	1.3	3.3	2.3
State casino gaming .....	0140	16.2	32.0	1.2
Homeowner construction lien recovery .....	0141	4.4	1.6	2.8
Michigan nongame fish and wildlife .....	0143	0.3	0.5	0.0
Michigan merit award trust.....	0154	9.5	286.6	0.0
TOTALS .....		\$860.3	\$41,721.1	\$738.1

ARTICLE 9  
HISTORY, ARTS, AND LIBRARIES  
PART 1  
LINE-ITEM APPROPRIATIONS

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

**DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES**  
**APPROPRIATION SUMMARY:**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	232.0	
GROSS APPROPRIATION .....	\$	54,863,700
Total interdepartmental grants and intradepartmental transfers .....		79,000
ADJUSTED GROSS APPROPRIATION .....	\$	54,784,700
Total federal revenues .....		8,450,900
Total local revenues .....		0
Total private revenues.....		577,400
Total other state restricted revenues .....		2,581,200
State general fund/general purpose .....	\$	43,175,200

**Sec. 102. DEPARTMENT OPERATIONS (THRIVING ECONOMY)**

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

**Sec. 103. INFORMATION TECHNOLOGY (THRIVING ECONOMY)**

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

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

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

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

Full-time equated classified positions.....	39.0	
Mackinac Island park operation—24.3 FTE positions .....		\$ 1,489,000
Historical facilities system—14.7 FTE positions .....		1,928,600
GROSS APPROPRIATION.....		\$ 3,417,600
Appropriated from:		
Interdepartmental grant revenues:		
Federal revenues:		
Federal funds .....		200,000
Special revenue funds:		
Mackinac Island state park fund.....		1,521,200
Mackinac Island state park operation fund .....		154,500
State general fund/general purpose .....		\$ 1,541,900

**Sec. 106. MICHIGAN HISTORICAL PROGRAM (THRIVING ECONOMY)**

Full-time equated classified positions.....	83.0	
Federal programs—12.0 FTE positions .....		\$ 1,993,500
Heritage publications .....		700,000
Historical administration and services—71.0 FTE positions .....		5,269,500
Private grants and gifts .....		502,400
Thunder Bay national marine sanctuary and underwater preserve .....		197,500
GROSS APPROPRIATION.....		\$ 8,662,900
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDOT, comprehensive transportation fund .....		3,400
IDG-MDOT, state aeronautics fund .....		2,100
IDG-MDOT, state trunkline fund .....		73,500
Federal revenues:		
DOI-NPS, historic preservation grants-in-aid .....		1,419,000
Federal funds .....		574,500
Special revenue funds:		
Private - grants and gifts.....		400,000
Private - Mann house trust fund .....		102,400
Game and fish protection fund .....		2,400
Heritage publication fund .....		700,000
Marine safety fund .....		500
Special revenue, internal service and pension trust .....		49,400
State lottery fund .....		18,800
Waterways fund.....		600
State general fund/general purpose .....		\$ 5,316,300

**Sec. 107. LIBRARY OF MICHIGAN (THRIVING ECONOMY)**

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

		For Fiscal Year Ending Sept. 30, 2007
State aid to libraries .....	\$	12,143,000
Subregional state aid .....		505,000
GROSS APPROPRIATION .....	\$	25,261,100
Appropriated from:		
Federal revenues:		
Library services and technology act .....		5,557,400
Special revenue funds:		
Private - gifts and bequests revenues .....		75,000
User fees .....		86,900
State general fund/general purpose .....	\$	19,541,800

## PART 2

### PROVISIONS CONCERNING APPROPRIATIONS

#### **GENERAL SECTIONS**

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

#### DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

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

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

Sec. 203. As used in this appropriation article:

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

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

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

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

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

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

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

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

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

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

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

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

- (a) Supplying census-related information and technical services, publications, statistical studies, population projections and estimates, and other demographic products.
- (b) Microfilming and other document and data imaging services, media, storage, and copies.
- (c) Patron copier and document reproduction services and copies.
- (d) Conferences, training classes, exhibits, programs, and workshops conducted as part of the department's mission.
- (e) Use of specialized equipment, facilities, and software that permit distance learning and meetings, and group decision making.
- (f) Special services including the rental of department exhibits and collections.
- (g) Application fees.
- (h) Grants, gifts, and bequests, including those for capital projects.

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

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

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

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

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

#### **MICHIGAN COUNCIL FOR ARTS AND CULTURAL AFFAIRS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) Arts projects program.

(c) Arts and learning program.

(d) Artists in residence for education program.

(e) Arts organization development program.

(f) Capital improvement program.

(g) Local arts agencies services program.

(h) Regional regranteeing program.

(i) Partnership program.

(j) Rural arts and cultural program.

(k) Cultural projects program.

(l) Historical projects program.

(m) Discretionary grants program.

(n) Cultural and ethnic heritage centers and museums.

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

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

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

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

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

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

(b) An applicant for a grant under the anchor organization program shall submit with the application the applicant's most recent annual audit report which states their "total unrestricted revenues, gains, and other support", as defined

by the financial accounting standards board in the accounting standards for not-for-profit organizations or equivalent accounting standards for other types of eligible organizations. The audit report must cover an audit period that ends within 18 months of the date of the application.

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) A listing of each applicant.

(ii) The county of residence of the applicant.

(iii) The amount requested.

(iv) The amount awarded.

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

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

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

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

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

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

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

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

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

(i) The MCACA intended program goals and outcomes.

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

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

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

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

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

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

## **MICHIGAN HISTORICAL PROGRAM**

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

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

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

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

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

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

## **LIBRARY OF MICHIGAN**

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



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

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

## ARTICLE 10 HUMAN SERVICES

### PART 1 LINE-ITEM APPROPRIATIONS

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

#### DEPARTMENT OF HUMAN SERVICES

##### APPROPRIATION SUMMARY:

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

#### Sec. 102. EXECUTIVE OPERATIONS (VULNERABLE)

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

**Sec. 103. CHILD SUPPORT ENFORCEMENT (VULNERABLE)**

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

**Sec. 104. COMMUNITY ACTION AND ECONOMIC OPPORTUNITY (VULNERABLE)**

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

**Sec. 105. ADULT AND FAMILY SERVICES (VULNERABLE)**

Full-time equated classified positions.....	47.2	
Executive direction and support—6.0 FTE positions.....	\$	505,900
Domestic violence prevention and treatment—5.5 FTE positions.....		14,704,000
Rape prevention and services .....		2,600,000
Guardian contract .....		600,000
Adult services policy and administration—6.0 FTE positions.....		609,300
Income support policy and administration—29.7 FTE positions.....		5,663,500
Employment and training support services.....		30,137,000
Wage employment verification reporting .....		848,700
Urban and rural empowerment/enterprise zones.....		100
Nutrition education .....		8,569,900
Marriage initiative.....		2,475,000
Fatherhood initiative .....		1,725,000
Crisis prevention and elder law of Michigan food for the elderly project .....		370,000
GROSS APPROPRIATION.....	\$	68,808,400
Appropriated from:		
Federal revenues:		
Total federal revenues .....		49,985,000
Special revenue funds:		
State general fund/general purpose .....	\$	18,823,400

**Sec. 106. CHILD AND FAMILY SERVICES (VULNERABLE)**

Full-time equated classified positions.....	85.4	
Salaries and wages—29.7 FTE positions .....	\$	1,768,900
Contractual services, supplies, and materials .....		948,700
Refugee assistance program—2.9 FTE positions.....		12,700,300
Foster care payments .....		131,709,300
Wayne County foster care payments.....		56,488,300
Adoption subsidies.....		232,705,300
Adoption support services—7.7 FTE positions .....		14,354,700

		For Fiscal Year Ending Sept. 30, 2007
Youth in transition—2.0 FTE positions .....	\$	13,363,100
Interstate compact .....		231,600
Children's benefit fund donations .....		21,000
Teenage parent counseling—2.3 FTE positions .....		3,815,800
Families first .....		16,946,700
Child safety and permanency planning .....		16,286,700
Strong families/safe children .....		13,395,300
Child protection/community partners—18.3 FTE positions .....		5,539,400
Zero to three .....		3,843,800
Family group decision making .....		2,454,700
Family reunification program .....		3,977,100
Family preservation and prevention services administration—14.5 FTE positions .....		2,252,300
Black child and family institute .....		100,000
Children's trust fund administration—8.0 FTE positions .....		761,000
Children's trust fund grants .....		3,825,100
ECIC, early childhood investment corporation .....		100
Attorney general contract .....		3,209,200
Prosecuting attorney contracts .....		1,061,700
GROSS APPROPRIATION .....	\$	541,760,100
Appropriated from:		
Federal revenues:		
Total federal revenues .....		331,148,200
Special revenue funds:		
Private - children's benefit fund donations .....		21,000
Private - collections .....		2,802,600
Local funds - county chargeback .....		24,742,900
Children's trust fund .....		3,535,300
State general fund/general purpose .....	\$	179,510,100

#### **Sec. 107. JUVENILE JUSTICE SERVICES (SAFETY)**

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

#### **Sec. 108. LOCAL OFFICE STAFF AND OPERATIONS (VULNERABLE)**

Full-time equated classified positions .....	8,023.9	
Field staff, salaries and wages—7,875.1 FTE positions .....	\$	381,563,200

		For Fiscal Year Ending Sept. 30, 2007
Contractual services, supplies, and materials .....	\$	17,945,900
Medical/psychiatric evaluations.....		4,300,000
Donated funds positions—11.0 FTE positions .....		829,500
Training and program support—49.0 FTE positions.....		7,022,200
Food stamp reinvestment—78.8 FTE positions .....		11,315,300
Wayne County gifts and bequests.....		100,000
Volunteer services and reimbursement.....		1,544,900
SSI advocates—10.0 FTE positions .....		853,900
GROSS APPROPRIATION.....	\$	425,474,900
Appropriated from:		
Interdepartmental grant revenues:		
IDG from DCH - medical services administration .....		1,389,400
ADJUSTED GROSS APPROPRIATION.....	\$	424,085,500
Appropriated from:		
Federal revenues:		
Total federal revenues .....		252,381,400
Special revenue funds:		
Local funds - donated funds.....		214,300
Private funds - donated funds .....		178,200
Private funds - Wayne County gifts .....		100,000
Private funds - hospital contributions.....		1,910,300
Supplemental security income recoveries .....		853,900
State general fund/general purpose .....	\$	168,447,400

#### **Sec. 109. DISABILITY DETERMINATION SERVICES (VULNERABLE)**

Full-time equated classified positions.....	568.4	
Disability determination operations—545.9 FTE positions.....	\$	80,510,700
Medical consultation program—18.4 FTE positions .....		2,942,600
Retirement disability determination—4.1 FTE positions.....		813,700
GROSS APPROPRIATION.....	\$	84,267,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG from DMB - office of retirement systems .....		1,102,700
ADJUSTED GROSS APPROPRIATION.....	\$	83,164,300
Appropriated from:		
Federal revenues:		
Total federal revenues .....		80,189,700
Special revenue funds:		
State general fund/general purpose .....	\$	2,974,600

#### **Sec. 110. CENTRAL SUPPORT ACCOUNTS (VULNERABLE, EFFECTIVE GOVERNMENT)**

Rent.....	\$	42,481,300
Occupancy charge .....		9,361,400
Travel.....		5,723,400
Equipment .....		277,300
Worker's compensation.....		4,231,000
Advisory commissions.....		17,900
Human resources optimization user charges.....		634,500
Payroll taxes and fringe benefits.....		244,029,900
GROSS APPROPRIATION.....	\$	306,756,700
Appropriated from:		
Interdepartmental grant revenues:		
IDG from DCH - medical services administration .....		610,600
ADJUSTED GROSS APPROPRIATION.....	\$	306,146,100
Appropriated from:		
Federal revenues:		
Total federal revenues .....		188,526,900

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

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

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

**Sec. 112. PUBLIC ASSISTANCE (VULNERABLE)**

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

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

Information technology services and projects.....	\$	84,803,600
Child support automation.....		51,280,300
GROSS APPROPRIATION .....	\$	136,083,900
Appropriated from:		
Federal revenues:		
Total federal revenues .....		97,231,000
Special revenue funds:		
State general fund/general purpose .....	\$	38,852,900

**Sec. 114. BUDGETARY SAVINGS**

Budgetary savings.....	\$	(1,000,000)
GROSS APPROPRIATION .....	\$	(1,000,000)
Appropriated from:		
Special revenue funds:		
State general fund/general purpose .....	\$	(1,000,000)

## PART 2

### PROVISIONS CONCERNING APPROPRIATIONS

#### **GENERAL SECTIONS**

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

#### DEPARTMENT OF HUMAN SERVICES PERMANENCY FOR CHILDREN

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

#### OPPORTUNITY FOR ADULTS TO LIVE AND WORK IN THE COMMUNITY

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

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

Sec. 203. As used in this article:

- (a) "AFC" means adult foster care.
- (b) "Department" means the department of human services.
- (c) "FTE" means full-time equated.
- (d) "GED" means general educational development.
- (e) "RSDI" means retirement survivors disability insurance.
- (f) "SSI" means supplemental security income.
- (g) "Temporary assistance for needy families" or "TANF" or "title IV-A" means part A of title IV of the social security act, 42 USC 601 to 604, 605 to 608, and 609 to 619.
- (h) "Title IV-D" means part D of title IV of the social security act, 42 USC 651 to 655, and 656 to 669b.
- (i) "Title IV-E" means part E of title IV of the social security act, 42 USC 670 to 673, 673b to 679, and 679b.
- (j) "VA" means veterans affairs.

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

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

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

Sec. 207. At least 60 days before beginning any effort to privatize services, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. Sanctions, suspensions, conditions for provisional license status, and other penalties shall not be more stringent for private service providers than for public entities performing equivalent or similar services. Private service providers or licensees shall not be granted preferential treatment or deemed automatically in compliance with administrative rules based on whether they have collective bargaining agreements with direct care workers. Private service providers

or licensees without collective bargaining agreements shall not be subjected to additional requirements or conditions of licensure based on their lack of such collective bargaining agreements. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 9 months.

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

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

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

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

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

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

- (a) An update on federal sanctions and federal requirements for reinvestment due to the food stamp error rate.
- (b) Review of the status of training for employees who administer the food assistance program.
- (c) An outline of the past year's monthly status of worker to food stamp cases and monthly status of worker to food stamp applications.
- (d) Information detailing the effect and change in staffing due to the early retirement option.
- (e) Corrective action through policy, rules, and programming being taken to reduce the food stamp error rate.
- (f) Any other information regarding the food stamp error rate, including information pertaining to technology and computer applications used for the food assistance program.

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

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

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

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

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

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
- (d) The travel is necessary to comply with federal requirements.
- (e) The travel is necessary to secure specialized training for staff that is not available within this state.
- (f) The travel is financed entirely by federal or nonstate funds.

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

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

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

Sec. 218. (1) The department shall prepare an annual report on the TANF federal block grant. The report shall include projected expenditures for the current fiscal year, an accounting of any previous year funds carried forward, and a summary of all interdepartmental or interagency agreements relating to the use of TANF funds. The report shall be forwarded to the state budget director and the house and senate appropriations subcommittees on the department budget and the house and senate fiscal agencies and policy offices within 10 days after presentation of the executive budget.

(2) The state budget director shall give prior written notice to the members of the house and senate appropriations subcommittees for the department and to the house and senate fiscal agencies and policy offices of any proposed changes in utilization or distribution of TANF funding or the distribution of TANF maintenance of effort spending relative to the amounts reflected in the annual appropriations acts of all state agencies where TANF funding is appropriated. The written notice shall be given not less than 30 days before any changes being made in the funding allocations. This prior notice requirement also applies to new plans submitted in response to federal TANF reauthorization or replacement by an equivalent federal law.

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

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

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

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



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

Sec. 223. The department shall make a determination of Medicaid eligibility not later than 60 days after all information to make the determination is received from the applicant when disability is an eligibility factor. For all other Medicaid applicants, the department shall make a determination of Medicaid eligibility not later than 45 days after all information to make the determination is received from the applicant.

Sec. 224. The department shall approve or deny a Medicaid application for a patient of a nursing home within 45 days after the receipt of the necessary information.

Sec. 225. The department shall develop a rapid redetermination process for nursing home residents whose Medicaid stay is greater than 90 days. This process shall be implemented not later than January 1, 2007.

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

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

(2) During the annual budget presentation, the department shall report on the interagency agreement with the department of information technology to the senate and house appropriations subcommittees for the department budget, house and senate fiscal agencies, and policy offices. The report shall include the base service priorities in the agreement including, but not limited to, the following:

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

(e) Impact, if any, on caseload management by local office staff, and on service to individual or family clients in local offices.

Sec. 261. The department, in conjunction with the county department of human services boards of directors and the department of management and budget, shall continue to develop and implement a plan to restructure local offices. This plan shall include an emphasis on maximization of service while maintaining a reduction in administrative cost. Duplication of services shall be identified and solutions to remove the duplication shall be detailed in the plan. Any plan presented shall ensure that the department provides a presence and services in every county. The current plan shall be submitted to the senate and house appropriations subcommittees for the department budget by January 15, 2007. The savings resulting from this plan may be allocated to the counties generating the savings to fund additional frontline workers at the county office level and additional staff to reduce wait time for Medicaid eligibility determinations.

Sec. 262. The department, in conjunction with county department of human services boards of directors and the department of management and budget, shall continue to develop and implement a plan to assist local services delivery effectiveness and efficiency by maximizing use of state resources while responding to unique needs in geographic regions of the state. Savings resulting from the plan shall be allocated to county offices to fund additional frontline workers. The department shall submit the current consolidation plan to the house and senate appropriations subcommittees for the department budget by January 1, 2007.

Sec. 264. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 269. If title IV-D-related child support collections are escheated, the state budget director is authorized to adjust the sources of financing for the funds appropriated in part 1 for legal support contracts to reduce federal authorization by 66% of the escheated amount and increase general fund/general purpose authorization by the same amount. This budget adjustment is required to offset the loss of federal revenue due to the escheated amount being counted as title IV-D program income in accordance with federal regulations at 45 CFR 304.50.

Sec. 270. (1) The department shall continue to implement a plan to provide client-centered results-oriented programs and services for each of the following programs:

- (a) Day care assistance.
- (b) Family independence program.
- (c) Adoption subsidy.
- (d) Foster care.
- (e) Juvenile justice services.
- (f) Jobs, education, and training (JET) pilot program and other welfare reform activities.

(2) The plan shall include detailed information to be compiled on an annual basis by the department on the following for each program listed in subsection (1):

- (a) The average cost per recipient served by the program.
  - (b) Measurable performance indicators for each program.
  - (c) Desired outcomes or results and goals for each program that can be measured on an annual basis, or desired results for a defined number of years.
  - (d) Monitored results for each program.
  - (e) Innovations for each program that may include savings or reductions in administrative costs.
- (3) During the annual budget presentation, the department shall provide the senate and house appropriations subcommittees on the department budget the information listed in subsection (2).

Sec. 271. (1) The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director on the progress of child and family services reviews (CFSR). The reviews, conducted in the state by the children's bureau of the United States department of health and human services, are intended to assess the department's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115, with the ultimate goal of improving the state child welfare system and the safety, permanency, and child and family service outcomes to children and families. The report shall be submitted January 1 and July 1.

(2) The report required under subsection (1) shall include the findings and progress of all of the following:

- (a) Changes made by the courts with respect to court forms and court rules to meet the statutory requirement.
- (b) Department policy changes within the areas of foster care, juvenile justice, and adoption to meet the statutory requirements.
- (c) Recommendations made by a workgroup composed of department and other agency stakeholders.
- (d) A summary of the 7 systemic factors that determine the state's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115.
- (e) A summary of the 7 data outcome indicators used to determine the state's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115, including the length of time required to achieve family reunification for foster care cases.
- (f) Federal recommendations made to the state, including recommendations to the courts.
- (g) Federal penalties assessed against the state for noncompliance.
- (h) Status of the performance improvement plan submitted to the federal government.

Sec. 272. (1) The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director on the result of the title IV-E foster care eligibility reviews. The reviews, conducted in the state by the United States department of health and human services, are intended to assess the department's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115, ensuring the department's case files and payments records meet federal regulations, including standards on eligibility for placement reimbursement and the allowable payment rate. The report shall be submitted January 1 and July 1.

(2) The report required under subsection (1) shall include the findings and progress of all of the following:

- (a) Training programs conducted by the department, the child welfare institute, the Michigan judicial institute, and any private agencies that have been authorized to provide training.
- (b) Changes made by the courts on court forms and rules used in meeting the statutory requirements.
- (c) Department policy changes that impact meeting the statutory requirements for foster care and adoption, including juvenile justice programs.

(d) Recommendations made by a department workgroup composed of representatives from the department and other departments and agencies.

(e) Federal recommendations submitted to the state, including recommendations to the courts.

(f) Federal penalties assessed against the state.

Sec. 273. (1) The department shall report no later than October 1, 2006 on each specific policy change made to implement enacted legislation to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services, and the senate and house fiscal agencies and policy offices.

(2) On an annual basis, the department shall provide a cumulative list of all policy changes in the following areas: child welfare services, child support, work first, work requirements, adult and child safety, local staff program responsibilities, and day care. The list shall be distributed to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees dealing with human services, and the senate and house fiscal agencies and policy offices.

(3) Not later than July 1, 2007, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director the annual regulatory plan submitted to the state office of administrative hearings and rules pursuant to section 53 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.253. The annual regulatory reform plan shall not include proposals for rule promulgation that exceed the statutory authority granted to the department.

(4) Funds for the preparation of the regulatory reform plan shall be provided solely in section 102 of the funds appropriated in part 1. Funds appropriated in part 1 shall not be used to prepare regulatory plans or promulgate rules that would exceed statutory authority granted to the department. If the department fails to provide statutory authority and additional information for its regulatory reform plan pursuant to section 39(1) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.239, no funds shall be expended for the further preparation of that plan or the promulgation of rules in that plan.

(5) Funds appropriated in part 1 shall not be used to prepare regulatory plans or promulgate rules that fail to reduce the disproportionate economic impact on small businesses pursuant to section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(6) Funds appropriated in part 1 shall not be used to prepare regulatory plans or promulgate rules that would grant preferences to private providers of services based on whether they had collective bargaining agreements with workers.

Sec. 274. The department shall report to the house and senate appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director as part of the annual budget presentation on each federal grant this state was eligible to apply for, listing both grants applied for and not applied for. This report will cover grants exceeding \$100,000.00, related to fatherhood and marriage initiatives, teen pregnancy prevention, kinship care, before- and after-school programs, family preservation and prevention, homeless prevention, and youth in transition.

Sec. 278. (1) The department shall contract with 1 or more private consulting firms for revenue maximization services for all caseload services currently provided by the department, including services expanded such as the SSI advocacy program. A contract under this section shall specify that the contractor locate waste, fraud, error, and abuse within the department's services and programs.

(2) A contractor shall not charge the department a fee for services provided under subsection (1). However, a contractor shall receive a negotiated percentage of the savings not to exceed 25% of the gross savings achieved from implementation of a recommendation made by the contractor under this section.

(3) The department shall retain up to \$7,500,000.00 of savings achieved through the revenue maximization services contract as an offset to general fund/general purpose costs. Additional savings shall be allocated within the department for the following purposes:

(a) Technology programs that help maintain an effective and efficient computer system for caseworkers.

(b) Additional staff in order to reduce worker-to-case ratios.

(4) The department shall provide a report to the senate and house appropriations subcommittees on the department budget, senate and house standing committees on human services matters, senate and house fiscal agencies and policy offices, and state budget director by December 31, 2006 on the waste, fraud, error, and abuse located under subsection (1). By April 1, 2007, the department shall provide a progress report including the specific changes implemented to achieve savings under this section and the timetable for implementation of the remaining changes.

Sec. 279. All contracts relating to human services entered into or renewed by the department on or after October 1, 2006 shall be performance-based contracts that employ a client-centered results-oriented process that is based on measurable performance indicators and desired outcomes and includes the annual assessment of the quality of services

provided. During the annual budget presentation, the department shall provide the senate and house appropriations subcommittees on the department budget with the measurable performance indicators, desired outcomes, and the assessment of the quality of services provided for each contract relating to human services entered into by the department during fiscal year 2006-2007.

Sec. 280. The department shall submit a report to the house and senate appropriations subcommittees for the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget director by February 1, 2007 on the status of the department's information technology improvement initiatives, including the "Bridges" integration project. The report shall include details on the following:

- (a) The amounts expended during the previous fiscal year and the first quarter of the current fiscal year by project.
- (b) The amounts of appropriations carried forward from previous fiscal years for information technology improvement projects.
- (c) A narrative describing the projects and activities undertaken during the previous fiscal year and during the first quarter of the current fiscal year.

Sec. 281. (1) The department shall report to the legislature, fiscal agencies, and office of the auditor general quarterly, beginning January 1, 2007, with a summary of final decisions and recommendations rendered by the state office of administrative hearings and rules administrative law judges, administrative law managers, or hearing officers for cases under the jurisdiction of the department.

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

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

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

Sec. 282. (1) The negative appropriation for budgetary savings in part 1 shall be satisfied by savings identified by the department director and approved by the state budget director.

(2) Appropriation authorizations shall be adjusted after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

## **EXECUTIVE OPERATIONS**

Sec. 301. Not later than September 30 of each year, the department shall submit for public hearing to the chairpersons of the house and senate appropriations subcommittees dealing with appropriations for the department budget the proposed use and distribution plan for community services block grant funds appropriated in part 1 for the succeeding fiscal year.

Sec. 302. The department shall develop a plan based on recommendations from the department of civil rights and from Native American organizations to assure that the community services block grant funds are equitably distributed. The plan must be developed by October 31, 2006, and the plan shall be delivered to the appropriations subcommittees on the department budget in the senate and house, the senate and house fiscal agencies, and the state budget director.

Sec. 303. (1) Of the funds appropriated in part 1 for community services block grants, \$2,350,000.00 represents TANF funding earmarked for community action agencies.

(2) In addition to the money referred to in subsection (1), the department shall award up to \$500,000.00 in competitive grants to organizations based on their education and outreach with the earned income tax credit (EITC). Organizations shall be given preference based on their emphasis on clients who have never filed for the EITC, clients with children, and clients for whom receipt of the EITC will make it easier for them to move off public assistance.

(3) In addition to the money referred to in subsection (1), the department shall award up to \$250,000.00 in competitive grants to organizations that seek to provide programs combining education on the EITC with programs building skills for strong marriages, fatherhood, or parenting.

Sec. 304. From funds appropriated in part 1 for demonstration projects, the department shall expend up to \$78,500.00 in TANF to fund a school-based crisis intervention demonstration project in Pontiac.

Sec. 305. The appropriation in part 1 for the weatherization program shall be expended so that at least 25% of the households weatherized under the program shall be households of families receiving 1 or more of the following:

- (a) Family independence program assistance.
- (b) State disability assistance.
- (c) Food assistance.
- (d) Supplemental security income.

Sec. 306. Of the funds appropriated in part 1 for demonstration projects, the department shall allocate \$200,000.00 to support the kinship care resource center administered by the Michigan state university school of social work. Funding is contingent upon the center's reporting of necessary data to the department to demonstrate TANF or maintenance of effort eligibility. The center shall submit quarterly reports to the department detailing expenditures from this appropriation and reviewing program outcomes including the number of families served through counseling, respite care, and other services as well as the number provided with information on kinship care. The department shall submit each quarterly report to the house and senate appropriations subcommittees on the department budget by January 15, April 15, July 15, and October 15 of each year.

Sec. 307. (1) Of the money appropriated in part 1 for demonstration projects, \$100,000.00 shall be distributed as provided in subsection (2). The amount distributed under this subsection shall not exceed 50% of the total operating expenses of the program described in subsection (2), with the remaining 50% paid by local United Way organizations and other nonprofit organizations and foundations.

(2) Money distributed under subsection (1) shall be distributed to Michigan 2-1-1, a nonprofit corporation organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code, 26 USC 501(c)(3), and whose mission is to coordinate and support a statewide 2-1-1 system. Michigan 2-1-1 shall use the money only to fulfill the Michigan 2-1-1 business plan adopted by Michigan 2-1-1 in January 2005.

(3) Michigan 2-1-1 shall report annually to the department and the house and senate standing committees with primary jurisdiction over matters relating to human services and telecommunications on 2-1-1 system performance, including, but not limited to, call volume by community health and human service needs and unmet needs identified through caller data and customer satisfaction metrics.

## **ADULT AND FAMILY SERVICES**

Sec. 415. (1) In expending money appropriated in part 1 for the fatherhood initiative, the department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations. The independent contractors shall provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations. An independent contractor that cannot secure matching funds shall not be excluded from consideration for the fatherhood program.

(2) The department may choose providers that will work with counties to help eligible fathers under TANF guidelines to acquire skills that will enable them to increase their responsible behavior toward their children and the mothers of their children. An increase of financial support for their children should be a very high priority as well as emotional support.

(3) A fatherhood initiative program established under this section shall minimally include at least 3 of the following components: promoting responsible, caring, and effective parenting through counseling; mentoring and parental education; enhancing the abilities and commitment of unemployed or low-income fathers to provide material support for their families and to avoid or leave welfare programs by assisting them to take advantage of job search programs, job training, and education to improve their work habits and work skills; improving fathers' ability to effectively manage family business affairs by means such as education, counseling, and mentoring in household matters; infant care; effective communication and respect; anger management; children's financial support; and drug-free lifestyle.

(4) The department is authorized to make allocations of TANF funds, of not more than 20% per county, under this section only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

(5) Upon receipt of the promotion of responsible fatherhood funds from the United States department of health and human services, the department shall use the program criteria set forth in subsection (3) to implement the program with the federal funds.

Sec. 416. (1) In expending money appropriated in part 1 for the marriage initiative, the department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit

organizations. The independent contractors shall provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations. An independent contractor that cannot secure matching funds shall not be excluded from consideration for a marriage initiative program.

(2) The department may choose providers to work with counties that will work to support and strengthen marriages of those eligible under the TANF guidelines. The areas of work may include, but are not limited to, marital counseling, domestic violence counseling, family counseling, effective communication, and anger management as well as parenting skills to improve the family structure.

(3) A marriage initiative program established under this section may include, but is not limited to, 1 or more of the following: public advertising campaigns on the value of marriage and the skills needed to increase marital stability and health; education in high schools on the value of marriage, relationship skills, and budgeting; premarital, marital, family, and domestic violence counseling; effective communication; marriage mentoring programs which use married couples as role models and mentors in at-risk communities; anger management; and parenting skills to improve the family structure.

(4) The department is authorized to make allocations of TANF funds, of not more than 20% per county, under this section only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

(5) Upon receipt of the healthy marriage promotion grant from the United States department of health and human services, the department shall use the program criteria set forth in subsection (3) to implement the program with the federal funds.

Sec. 418. From the funds appropriated in part 1 for employment and training support services, the department may expand the availability of individual development accounts (IDAs) with \$200,000.00 for allocation to qualified IDA programs established through the Michigan IDA partnership to serve TANF eligible households in Michigan. The Michigan IDA partnership shall encourage each TANF eligible household served to claim the federal earned income tax credit (EITC) and to incorporate all or part of any tax credit received in the household's IDA savings plan, and shall provide the household with information concerning available free tax assistance resources. In addition, the Michigan IDA partnership and its program sites shall participate in community EITC coalitions established under the plan to increase the EITC participation of TANF families referenced in section 666. The same amount shall be appropriated annually to further expand IDA opportunities to low-income families to become more financially self-sufficient through financial education, saving, wise investment in home ownership, postsecondary education, small business development, or a combination of those programs.

Sec. 419. The department in collaboration with the Michigan State University center for urban affairs and its partner organizations, the Michigan credit union league and the national federation of community development credit unions, shall further the work begun in fiscal year 1999-2000 that implemented the individual development accounts programs in the growing number of low-income designated credit unions, i.e., community development credit unions (CDCUs) located in this state's poorest communities. This further work will extend capacity-building and technical assistance services to existing and emerging CDCUs serving low-income populations and will include:

(a) Creation of a Michigan-based support system for the capacity-building of existing and emerging CDCUs serving low-income individuals and families, including development and testing of training, technical assistance, and professional development initiatives and related materials, and other capacity-building services to Michigan CDCUs.

(b) Other related support to assist existing and emerging CDCUs in becoming self-supporting institutions to assist impoverished Michigan residents in becoming economically independent.

(c) Training and technical assistance to CDCUs in the development of support services, such as economic literacy, credit counseling, budget counseling, and asset management programs for low-income individuals and families.

Sec. 420. From the funds appropriated in part 1 for employment and training support services, the department may allocate \$40,000.00 in TANF for welfare to career innovation grants to replicate the Kent County model with Cascade engineering.

Sec. 421. The department shall allow private nationally accredited foster care and adoption agencies to conduct their own staff training, based on current department policies and procedures provided that the agency trainer and training materials are accredited by the department, and that the agency documents to the department that the training was provided. The department shall provide access to any training materials requested by the private agencies to facilitate this training. The intent of the legislature is to reduce training and travel costs for both the department and the private agencies.

Sec. 423. (1) From the money appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate \$75,000.00 to support ongoing efforts in Barry County to provide programs to women or children, or both, facing crisis situations as a result of domestic violence or abuse.

(2) From the money appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate not less than \$70,000.00 to assist this state's elderly population to participate in the food assistance program. The money may be used as state matching funds to acquire available United States department of agriculture funding to provide outreach program activities, such as eligibility screen and information services, as part of a statewide food stamp hotline.

(3) Of the funds appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate \$25,000.00 for a food aid outreach project in Muskegon County and \$25,000.00 for a food aid outreach project in Kent County.

(4) From the money appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate \$50,000.00 for the city of Lansing and \$50,000.00 for the county of Washtenaw for homeless prevention programs.

Sec. 424. Of the funds appropriated in part 1 for employment and training, \$200,000.00 in TANF funds may be used for the effective family formation program by the child and family resource council in Kent County for the purpose of instructing unwed parents in developing family formation and sustaining behaviors.

## **CHILD AND FAMILY SERVICES**

Sec. 501. The following goal is established by state law. During fiscal year 2006-2007, not more than 3,000 children supervised by the department shall remain in foster care longer than 24 months. The department shall give priority to reducing the number of children under 1 year of age in foster care. During the annual budget presentation, the department shall report on the number of children supervised by the department and by private agencies who remain in foster care between 12 and 24 months, and those who remain in foster care longer than 24 months.

Sec. 502. From the funds appropriated in part 1 for foster care, the department shall provide 50% reimbursement to Indian tribal governments for foster care expenditures for children who are under the jurisdiction of Indian tribal courts and who are not otherwise eligible for federal foster care cost sharing.

Sec. 503. The department shall continue adoption subsidy payments to families after the eighteenth birthday of an adoptee who meets the following criteria:

- (a) Has not yet graduated from high school or passed a high school equivalency examination.
- (b) Is making progress toward completing high school.
- (c) Has not yet reached his or her nineteenth birthday.
- (d) Is not eligible for federal supplemental security income (SSI) payments.

Sec. 504. The department's ability to satisfy appropriation deducts in part 1 for foster care private collections shall not be limited to collections and accruals pertaining to services provided only in the current fiscal year but shall include revenues collected during the fiscal year in excess of the amount specified in part 1.

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

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

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

Sec. 509. (1) From the funds appropriated in part 1, the department shall not expend funds to preserve or reunite a family, unless there is a court order requiring the preservation or reuniting of the family or the court denies the petition, if either of the following would result:

- (a) A child would be living in the same household with a parent or other adult who has been convicted of criminal sexual conduct against a child.

(b) A child would be living in the same household with a parent or other adult against whom there is a substantiated charge of sexual abuse against a child.

(2) Notwithstanding subsection (1), this section shall not prohibit counseling or other services provided by the department, if the service is not directed toward influencing the child to remain in an abusive environment, justifying the actions of the abuser, or reuniting the family.

Sec. 510. The department shall not be required to put up for bids contracts with service providers if currently only 1 provider in the service area exists.

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

(a) There is no appropriate placement available in this state, while an out-of-state placement does exist within 100 miles of the child's home.

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

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

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

(2) The department shall submit a report by February 1 of each year on the number of children who were newly placed in out-of-state facilities during the previous fiscal year, the number of Michigan children residing in such facilities at the time of the report, and the total cost and average per diem cost of these out-of-state placements to the state.

Sec. 514. The department shall make a comprehensive report concerning children's protective services (CPS) to the legislature, including the senate and house policy offices and the state budget director, by January 1, 2007, that shall include all of the following:

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

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

(ii) Characteristics of perpetrators of abuse or neglect and the child victims, such as age, relationship, socioeconomic status, race, and ethnicity and whether the perpetrator exposed the child victim to criminal drug activity, including the manufacture of illicit drugs, that exposed the child victim to significant health and environmental hazards.

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

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

(c) The number of cases in category III closed during the time period covered by the report categorized as follows:

(i) Transfer to foster care.

(ii) Risk of further child abuse or neglect has been reduced to an acceptable level.

(iii) The perpetrator no longer has access to the child victim.

(iv) Unsatisfactory family response - referral to court not feasible.

(v) Child protective services not needed - family is receiving services from another program.

(vi) Client unavailable for services, location of client unknown.

(vii) Other.

(d) The department policy, or changes to the department policy, regarding termination of parental rights or foster placement for children who have been exposed to the production of illicit drugs in their dwelling place or a place frequented by the children.

(e) The department policy, or changes to the department policy, regarding children who have been exposed to the production or manufacture of methamphetamines.

Sec. 515. From the funds appropriated in part 1 for foster care payments and Wayne County foster care payments and related administrative costs, the department shall implement a performance based managed care approach to contracting for foster care services with private, nonprofit agencies. The goal of these contracts shall be to provide incentives for agencies to improve the process of placing children in permanent placements and reducing the time children spend in foster care. The department shall report to the senate and house appropriations subcommittees on the



department budget, the senate and house fiscal agencies and policy offices, and the state budget office on this foster care permanency program and make recommendations for program expansion to all the counties of this state no later than August 30, 2007. The department shall develop these recommendations with sufficient detail that permanency programs may be implemented as soon as possible after September 30, 2007.

Sec. 517. (1) From the funds appropriated in part 1, the department is authorized to allocate funds to multipurpose collaborative bodies. Priority for activities and services will be given to at-risk children and families and cases classified by the department as category III or category IV under sections 8 and 8d of the child protection law, 1975 PA 238, MCL 722.628 and 722.628d.

(2) Funds appropriated in part 1 for zero to three may be used to fund community-based collaborative prevention services designed to do any of the following:

- (a) Foster positive parenting skills especially for parents of children under 3 years of age.
- (b) Improve parent/child interaction.
- (c) Promote access to needed community services.
- (d) Increase local capacity to serve families at risk.
- (e) Improve school readiness.
- (f) Support healthy family environments that discourage alcohol, tobacco, and other drug use.

(3) The appropriation provided for in subsection (2) is to fund secondary prevention programs as defined in the children's trust fund's preapplication materials for fiscal year 2006-2007 direct services grants.

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

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

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

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

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

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

Sec. 523. (1) From the funds appropriated in part 1 for youth in transition, domestic violence prevention and treatment, and teenage parent counseling, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

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

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

- (i) The number of teen participants having fewer repeat pregnancies.
- (ii) The completion rate for high school diplomas or GEDs.
- (iii) The teen participants' rate of self-sufficiency.
- (iv) The number of father participants.

(b) How many teens participate in the programs and have access to any or all of the following services:

- (i) Adult supervised, supportive living arrangements.
- (ii) Pregnancy prevention services or referrals.
- (iii) Required completion of high school or receipt of GED, including child care to assist young mothers to focus on achievement.
- (iv) Support services, including, but not limited to, health care, transportation, and counseling.
- (v) Parenting and life-skills training.
- (vi) Education, job training, and employment services.
- (vii) Transition services in order to achieve self-sufficiency.
- (viii) Instruction on self-protection.

(3) Agencies receiving teenage parent counseling funds shall provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations.

Sec. 524. The department shall report on prevention programs for which funds are appropriated in part 1 to the senate and house appropriations subcommittees on the department budget during the annual budget presentation. The report shall contain all of the following for each program:

- (a) The average cost per recipient served.
- (b) Measurable performance indicators.
- (c) Desired outcomes or results and goals that can be measured on an annual basis, or desired results for a defined number of years.
- (d) Monitored results.
- (e) Innovations that may include savings or reductions in administrative costs.

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

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

- (a) Provide for the department to retain 50% of the federal revenues earned.
- (b) Provide for department review and approval of the local unit's plan for allocating costs to title IV-E.
- (c) Provide for the local unit of government to submit bills at times, and in the format, specified by the department.
- (d) Specify that the local unit of government is responsible for meeting all federal title IV-E regulation requirements, including reporting requirements, with regard to the activities and costs being billed to title IV-E.
- (e) Provide for the local unit of government to pay the state for the amount of any federal revenues paid to the local unit that may subsequently be disallowed by the federal government.

(f) Be signed by the director of the department, the chief executive officer of the local government agency providing the title IV-E services, the chair of the county board of commissioners, and the chief executive officer of the county.

Sec. 532. (1) The department, in collaboration with representatives of private child and family agencies, shall continue to review policies, practices, and procedures involving the annual licensing review and the annual contract compliance review conducted by the department regarding child placing agencies and child caring institutions. The review shall include efforts to identify duplication of staff activities and information sought from child placing agencies and child caring institutions in the annual review process.

(2) The department shall develop a streamlined licensing contract compliance review process where possible, including potential for utilizing deeming status for nationally accredited agencies. The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on or before January 15, 2007 on the implementation of the licensing and contract compliance review process.

Sec. 533. (1) The department shall make payments to private nonprofit child placing facilities for title IV-E out-of-home care services within 30 days of receiving all necessary documentation from those agencies.

(2) The department shall explore various types of automated payments to private nonprofit child placing facilities to improve speed and accuracy of payments.

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

Sec. 537. (1) The department shall offer private nonprofit licensed agencies the first opportunity to provide foster care services for new foster children entering the system in a county when the department's direct care caseload for foster care is greater than 20 cases per foster care worker. This section only applies if the private nonprofit licensed agency has an available placement at the time the child needs to be placed, the placement is not contrary to the best interests of the child or the child's siblings, and the private nonprofit licensed agency has a direct care caseload for foster care that is no greater than 20 cases per foster care caseworker.

(2) The department, in conjunction with private child placing agencies, shall develop a methodology for measuring goals, objectives, and performance standards for the delivery of foster care and adoption services. These goals, objectives, and performance standards shall apply to both public and private delivery of child welfare services, and data

shall be collected from both private and public child welfare programs that can be used to evaluate performance achievements, including, but not limited to, the following:

- (a) Average caseload per foster care worker.
- (b) Average cost per case to the department and any other governmental agency.
- (c) Range of services provided.
- (d) Program outcomes, including the average length of stay in residential treatment and foster care.

(3) The department shall submit a quarterly report to the legislature outlining the progress of the development of the goals, objectives, and performance standards, as well as the information collected through the implementation of the measurement program.

(4) The department, in collaboration with child placing agencies, shall develop a strategy for implementing the requirements of MCL 400.115o. As part of the implementation strategy, the department caseworkers responsible for the preparation of recommendations to the court for juvenile placements shall provide, as part of the placement recommendation, information regarding the requirements.

Sec. 539. The department shall work in collaboration with representatives from private nonprofit child placing agencies to ensure appropriate placement for children who have been adjudicated abused, neglected, or delinquent and for whom residential treatment is required. The department and the representatives from the private nonprofit child placing agencies shall focus on statewide placement criteria to address the best interest of the child in need of services. The placement criteria shall include a continuum of care settings and options as appropriate for each child and his or her needs at specific times, including home placements, relative placements, shelter placements, and other options.

Sec. 544. The department shall implement pilot projects with applications pending for accelerated residential treatment.

Sec. 545. (1) The department shall continue to implement a new specialized foster care system based upon the report and recommendations required in section 545(2) of 2004 PA 344.

(2) The department shall report to the senate and house appropriations subcommittees for the department budget on the number of new specialized foster care programs required under section 545(3) of 2004 PA 344 not later than January 15, 2007. If no new specialized foster care programs have been authorized, the department shall provide an explanation, a list of all applicants who applied but were denied, and a strategic plan to provide for new specialized foster care programs.

(3) The department shall use money appropriated in part 1 for foster care payments and Wayne County foster care payments to reduce rate disparities between providers of similar services in different geographic areas and to serve as demonstration projects for further efforts in reducing these disparities in future years.

Sec. 546. Of the funds appropriated in part 1 for foster care and Wayne County foster care payments, the legislature intends the increase in funding above the appropriated amounts in fiscal year 2005-2006 to increase the general foster care daily rate to \$19.40.

Sec. 548. During the annual budget presentation to the house and senate appropriations subcommittees on the department budget, the department shall report on progress in implementing the recommendations of the task force that studied the disproportionate representation of African-American and other children of color in the child welfare and juvenile justice systems as required under former section 548 of the fiscal year 2005-2006 budget act for the department.

Sec. 549. The department shall meet with personnel employed by the office of the children's ombudsman and the state court administrative office's foster care review board to investigate streamlining the oversight process for child welfare services. The intent of the legislature is to ensure appropriate and adequate oversight while reducing duplication and redundancy between government offices.

Sec. 550. (1) The department shall develop, in cooperation with the department of community health or other appropriate medical or health experts, materials for distribution to foster care parents and families on the health risks to children from use of tobacco and secondhand smoke.

(2) The department, using public and private resources, shall implement a pilot program to offer foster care parents nicotine patches or other smoking cessation products to reduce the health risk to foster children.

(3) The department shall report to the senate and house appropriations subcommittees for the department budget on the results of the pilot program implemented under subsection (2) not later than September 30, 2007.

Sec. 551. The department shall submit a report not later than September 30, 2007 to the senate and house appropriations subcommittees on the department budget that includes the number of children in foster homes where parents smoke, the subsequent health costs incurred, and what the impact would be on foster care recruitment if being a nonsmoker was a requirement for foster parenting.

Sec. 552. (1) The director of the department shall convene a task force to be known as the interdepartmental task force on services to at-risk youth transitioning to adulthood. The task force shall perform all of the following with respect to services to at-risk youth:

(a) Assess currently available services.

(b) Determine the extent of coordination and cooperation among currently available programs and services administered by the department and by other departments and agencies of this state.

(c) Identify methods to enhance coordination of current services delivery.

(d) Identify potential available public and private resources and services.

(e) Develop a plan to ensure that all current public and private resources and services are effectively organized and available.

(f) Recommend actions to enhance services.

(2) The director of the department shall seek participation on the task force created under subsection (1) from all of the following:

(a) The director of the department of community health or the director's designee.

(b) The director of the department of labor and economic growth or the director's designee.

(c) The superintendent of public instruction or the superintendent's designee.

(d) The state court administrator or his or her designee.

(e) The association for children's mental health.

(f) The children's chapter of the courts of Michigan.

(g) The Michigan probate judges association.

(h) The Michigan community mental health boards.

(i) Fight crime: invest in kids – Michigan.

(j) The Michigan association of school administrators.

(k) The Michigan association of united ways.

(l) The Michigan council on crime and delinquency.

(m) The Michigan federation for children and families.

(n) The Michigan network for youth and families.

(o) Michigan's children.

(p) The school–community health alliance of Michigan.

(q) The student advocacy center of Michigan.

(r) The Skillman foundation.

(s) The W.K. Kellogg foundation.

(t) The C.S. Mott foundation.

(u) The Frey foundation.

(v) The Annie E. Casey foundation.

(w) Youth and adults who are currently or were formerly served by 1 or more services provided by the department to at-risk youth.

(x) Representatives of faith-based organizations.

(3) By June 30, 2007, the task force created under subsection (1) shall report to the department. The report shall include the task force findings, assessments, plan, and recommendations under subsection (2).

(4) By September 30, 2007, the department shall provide to the senate and house of representatives standing committees with primary jurisdiction over human service matters, the senate and house of representatives appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget office the task force's report under subsection (3) and identify any actions the department has taken or intends to take as a result of the report.

Sec. 556. The department shall submit a report to the chairpersons of the senate and house of representatives appropriations committees and the senate and house fiscal agencies and policy offices that includes all of the following:

(a) A description of how the department is complying with federal requirements to notify prospective adoptive parents about adoption subsidies for which those prospective adoptive parents may qualify.

(b) The number of requests received by the department from adoptive parents for funds or reimbursement of costs to attend conferences that include training or discussion of significant adoption issues.

(c) The number of the requests described in subdivision (b) that were approved by the department.

(d) The number of the requests described in subdivision (b) that were denied by the department.

(e) The total amount of money expended on the requests described in subdivision (b) that were approved.

(f) The number of fair hearing requests from adoptive parents received by the department challenging the amount of the adoption subsidy.

(g) The number of challenges described in subdivision (f) alleging that a means test or similar test was used to determine the amount of the adoption subsidy.

(h) The number of challenges described in subdivision (f) alleging that an adoption subsidy amount was reduced without the consent of the adoptive parent.

(i) The number of challenges described in subdivision (f) alleging that a request for an increase in an adoption subsidy amount was denied based on a means test or similar test.

(j) The number of adoption subsidy payments suspended when the child is still in the custody of the adoptive parent, but no longer in the physical care of that adoptive parent.

Sec. 559. If a conflict arises between the provisions of state law, department rules, or department policy, and the provisions of title IV-E, the provisions of title IV-E prevail.

Sec. 560. Of the amount appropriated in section 108 of part 1 for contractual services, supplies, and materials, the department shall expend \$350,000.00 to equip current and new child protective services workers with digital audio/video recorders. All district offices shall have at least 1 digital audio/video recorder. All current and future child protective services workers shall be trained in the use of the digital audio/video recorders. Child protective services workers shall use digital audio/video recorders during their investigations if a public safety officer is not present. It is the intent of the legislature that the use of these recorders will safeguard the information discovered during an investigation for future use in judicial procedures, documentation of child abuse and neglect, and removal of children from a home.

Sec. 561. In making expenditures from the appropriations in part 1, the department shall give preference to children's advocacy agencies that provide a coordinated investigation and comprehensive response to child abuse when granting contracts for child abuse services. These agencies shall provide a multidisciplinary team approach for responding to child abuse allegations. The multidisciplinary team should include representation from the children's advocacy agency, law enforcement, child protective services, prosecuting attorneys, mental health agencies, medical professionals, and victim advocacy.

Sec. 562. The department shall consider allowing a county or counties to submit claims for federal title IV-E foster care funding for placements in secure residential facilities when a county or counties can demonstrate that the reason for the secure placement is a diagnosed medical necessity and not public protection.

Sec. 563. From the funds appropriated in part 1 for foster care payments and related administrative costs, the department may implement the federally approved title IV-E demonstration project waiver.

Sec. 564. Of the funds appropriated in part 1 for youth in transition, the legislature intends the increase in funding above the appropriated amounts in fiscal year 2005-2006 to increase the runaway and homeless youth providers contract rate by 3% beginning April 1, 2007.

Sec. 565. (1) From the funds appropriated in part 1 for federally-funded family preservation programs, the department shall allocate up to \$2,000,000.00 to Wayne County to provide home-based programs as part of the county expansion of community-based services to serve the county's adjudicated delinquent and abused and neglected youth.

(2) One-half of the total amount allocated to Wayne County shall be used to serve adjudicated delinquent youth, and 1/2 shall be used to serve abused and neglected youth.

(3) Federal revenues shall be paid to Wayne County as reimbursement for actual costs incurred, consistent with established federal requirements.

(4) As a condition of receipt of federal funds pursuant to subsection (1), Wayne County shall provide the department with a plan for the use of allocated funds in a format to be specified by the department. The county shall also provide the department with all information required to demonstrate the appropriateness and allowability of expenditures and to meet federal financial and programmatic reporting requirements.

## **PUBLIC ASSISTANCE**

Sec. 601. (1) The department may terminate a vendor payment for shelter upon written notice from the appropriate local unit of government that a recipient's rental unit is not in compliance with applicable local housing codes or when the landlord is delinquent on property tax payments. A landlord shall be considered to be in compliance with local housing codes when the department receives from the landlord a signed statement stating that the rental unit is in compliance with local housing codes and that statement is not contradicted by the recipient and the local housing authority. The department shall terminate vendor payments if a taxing authority notifies the department that taxes are delinquent.

(2) Whenever a client agrees to the release of his or her name and address to the local housing authority, the department shall request from the local housing authority information regarding whether the housing unit for which vendoring has been requested meets applicable local housing codes. Vendoring shall be terminated for those units that the local authority indicates in writing do not meet local housing codes until such time as the local authority indicates in writing that local housing codes have been met.

(3) In order to participate in the rent vendoring programs of the department, a landlord shall cooperate in weatherization and conservation efforts directed by the department or by an energy provider participating in an agreement with the department when the landlord's property has been identified as needing services.

Sec. 603. (1) The department, as it determines is appropriate, shall enter into agreements with energy providers by which cash assistance recipients and the energy providers agree to permit the department to make direct payments to the energy providers on behalf of the recipient. The payments may include heat and electric payment requirements from recipient grants and amounts in excess of the payment requirements.

(2) The department shall establish caps for natural gas, wood, electric heat service, deliverable fuel heat services, and for electric service based on available federal funds.

(3) The department shall review and adjust the standard utility allowance for the state food assistance program to ensure that it reflects current energy costs in the state.

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

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

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

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

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

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

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

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

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

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

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

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

(4) A refugee or asylee who loses his or her eligibility for the federal supplemental security income program by virtue of exceeding the maximum time limit for eligibility as delineated in 8 USC 1612 and who otherwise meets the eligibility criteria under this section shall be eligible to receive benefits under the state disability assistance program.

Sec. 605. The level of reimbursement provided to state disability assistance recipients in licensed adult foster care facilities shall be the same as the prevailing supplemental security income rate under the personal care category.

Sec. 606. County department offices shall require each recipient of state disability assistance who has applied with the social security administration for supplemental security income to sign a contract to repay any assistance rendered through the state disability assistance program upon receipt of retroactive supplemental security income benefits.

Sec. 607. The department's ability to satisfy appropriation deductions in part 1 for state disability assistance/supplemental security income recoveries and public assistance recoupment revenues shall not be limited to recoveries and accruals pertaining to state disability assistance, or family independence assistance grant payments provided only in the current fiscal year, but shall include all related net recoveries received during the current fiscal year.

Sec. 608. Adult foster care facilities providing domiciliary care or personal care to residents receiving supplemental security income or homes for the aged serving residents receiving supplemental security income shall not require those residents to reimburse the home or facility for care at rates in excess of those legislatively authorized. To the extent permitted by federal law, adult foster care facilities and homes for the aged serving residents receiving supplemental security income shall not be prohibited from accepting third-party payments in addition to supplemental security income provided that the payments are not for food, clothing, shelter, or result in a reduction in the recipient's supplemental security income payment.

Sec. 609. The state supplementation level under the supplemental security income program for the personal care/adult foster care and home for the aged categories shall not be reduced during the fiscal year beginning October 1, 2006 and ending September 30, 2007. The legislature shall be notified not less than 30 days before any proposed reduction in the state supplementation level.

Sec. 610. In developing good cause criteria for the state emergency relief program, the department shall grant exemptions if the emergency resulted from unexpected expenses related to maintaining or securing employment.

Sec. 611. (1) A provider of indigent burial services may collect additional payment from relatives or other persons on behalf of the deceased if the total additional payment does not exceed \$2,600.00.

(2) Any additional payment collected pursuant to subsection (1) shall not increase the maximum charge limit for state payment as established by law.

(3) A provider of indigent burial services under the indigent burial services pilot project begun in fiscal year 2005-2006 shall not request or accept payment from a relative of the deceased or from another individual, other than payment under the pilot project.

Sec. 612. For purposes of determining housing affordability eligibility for state emergency relief, a group is considered to have sufficient income to meet ongoing housing expenses if their total housing obligation does not exceed 75% of their total net income.

Sec. 613. (1) Beginning January 1, 2007, the department shall begin statewide implementation of the indigent burial services pilot project begun in fiscal year 2005-2006.

(2) If the department, in consultation with representatives of funeral establishments, determines on or before December 31, 2006 that continued implementation of the indigent burial services pilot program will lead to excessive demands upon appropriated funds for the program, the department shall notify the senate and house subcommittees with jurisdiction over the department's budget that it is suspending the program.

(3) If the program is suspended pursuant to subsection (2), the department shall immediately implement payments for services according to the payment standards used in fiscal year 2005-2006.

(4) Providers of burial services shall be responsible for expenses in excess of appropriated amounts for the period of the indigent burial services project's implementation, but the department shall not increase those expenses by untimely delays in acting upon a request from representatives of funeral establishments that the program be suspended and notice sent to the legislative subcommittees referred to in subsection (2).

Sec. 614. Until January 1, 2007, the funds available in part 1 for burial services shall be available if the deceased was an eligible recipient and an application for emergency relief funds was made within 10 days of the burial or cremation of the deceased person. Each provider of burial services shall be paid directly by the department.

Sec. 615. Except as required by federal law or regulations, funds appropriated in part 1 shall not be used to provide public assistance to a person who is an illegal alien. This section shall not prohibit the department from entering into contracts with food banks or emergency shelter providers who may, as a normal part of doing business, provide food or emergency shelter to individuals.

Sec. 617. In operating the family independence program with funds appropriated in part 1, the department shall not approve as a minor parent's adult supervised household a living arrangement in which the minor parent lives with his or her partner as the supervising adult.

Sec. 618. The department may only reduce, terminate, or suspend assistance provided under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, without prior notice in 1 or more of the following situations:

- (a) The only eligible recipient has died.
- (b) A recipient member of a program group or family independence assistance group has died.
- (c) A recipient child is removed from his or her family home by court action.
- (d) A recipient requests in writing that his or her assistance be reduced, terminated, or suspended.
- (e) A recipient has been approved to receive assistance in another state.
- (f) A change in either state or federal law that requires automatic grant adjustments for classes of recipients.
- (g) The only eligible recipient in the household has been incarcerated.
- (h) A recipient is no longer a Michigan resident.
- (i) A recipient is closed on 1 case to be activated on another.
- (j) Federal payments (other than RSDI, railroad retirement, or VA) to the group have begun or increased.
- (k) A recipient is disqualified for intentional program violation.
- (l) When the department's negative action is upheld in an administrative hearing.

Sec. 619. The department shall exempt from the denial of title IV-A assistance and food assistance benefits, contained in 21 USC 862a, any individual who has been convicted of a felony that included the possession, use, or distribution of a controlled substance, after August 22, 1996, provided that the individual is not in violation of his or her probation or parole requirements. Benefits shall be provided to such individuals as follows:

- (a) A third-party payee or vendor shall be required for any cash benefits provided.
- (b) An authorized representative shall be required for food assistance receipt.

Sec. 620. The department with the approval of the state budget director is authorized to increase federal spending authority for food assistance program benefits if projected caseload spending will exceed the spending authority in part 1. This authorization adjustment shall be made 15 days after notifying the chairs of the house and senate appropriations subcommittees on the department budget and house and senate fiscal agencies.

Sec. 621. Funds appropriated in part 1 may be used to support multicultural assimilation and support services. The department shall distribute all of the funds described in this section based on assessed community needs.

Sec. 627. (1) From the funds appropriated in part 1 for day care services, the department shall contract to administer an amount not to exceed \$1,350,000.00 for the "enhance quality improvement program" (EQUIP) grants. A priority for the expenditure of EQUIP funds shall be given to providers to expand access to child care, specifically 24-hour care, care for children of parents working evening or night shifts, and weekend care. A child care program shall not be eligible for an EQUIP grant unless 25% or more of its clients receive day care payments from the department.

(2) From the funds appropriated in part 1 for day care services, the department shall establish an additional fund of at least \$350,000.00 for a grant pool for an "enhance quality improvement program" (EQUIP) specifically to establish new family and group home day care providers.

Sec. 631. The department shall maintain policies and procedures to achieve all of the following:

- (a) The identification of individuals on entry into the system who have a history of domestic violence, while maintaining the confidentiality of that information.
- (b) Referral of persons so identified to counseling and supportive services.
- (c) In accordance with a determination of good cause, the waiving of certain requirements of family independence programs where compliance with those requirements would make it more difficult for the individual to escape domestic violence or would unfairly penalize individuals who have been victims of domestic violence or who are at risk of further domestic violence.

Sec. 635. Within 24 hours of receiving all information necessary to process an application for payments for child day care, the department shall determine whether the child day care provider to whom the payments, if approved, would be made, is listed on the child abuse and neglect central registry. If the provider is listed on the central registry, the department shall immediately send written notice denying the applicant's request for child day care payments.



Sec. 640. (1) From the funds appropriated in part 1 for day care services, the department may continue to provide infant and toddler incentive payments to child day care providers serving children from 0 to 2-1/2 years of age who meet licensing or training requirements.

(2) The use of the funds under this section should not be considered an ongoing commitment of funding.

Sec. 641. In collaboration with Central Michigan University, the department shall develop and disseminate read, educate, and develop youth (R.E.A.D.Y.) kits to parents of preschool and kindergarten children to provide these parents with information about how they can prepare their children for reading success.

Sec. 643. As a condition of receipt of federal TANF funds, homeless shelters shall collaborate with the department to obtain necessary TANF eligibility information on families as soon as possible after admitting a family to the homeless shelter. From the funds appropriated in part 1 for homeless shelter contracts, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. Homeless shelters that do not report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements will not receive reimbursements which exceed the per diem amount they received in fiscal year 2000. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Sec. 645. An individual or family is considered homeless, for purposes of eligibility for state emergency relief, if living temporarily with others in order to escape domestic violence. For purposes of this section, domestic violence is defined and verified in the same manner as in the department's policies on good cause for not cooperating with child support and paternity requirements.

Sec. 653. From the funds appropriated in part 1 for food assistance, an individual who is the victim of domestic violence and does not qualify for any other exemption may be exempt from the 3-month in 36-month limit on receiving food assistance under 7 USC 2015. This exemption can be extended an additional 3 months upon demonstration of continuing need.

Sec. 657. (1) The department shall fund a statewide before- or after-school program to provide youth with a safe, engaging environment to motivate and inspire learning outside the traditional classroom setting. Before- or after-school program eligibility is limited to geographic areas near school buildings that do not meet federal no child left behind annual yearly progress (AYP) requirements and that include the before- or after-school programs in the AYP plans as a means to improve outcomes. Before-school programs are limited to elementary school-aged children. Effective before- or after-school programs combine academic, enrichment, and recreation activities to guide learning and inspire children and youth in various activities. The before- or after-school programs can meet the needs of the communities served by the programs.

(2) The department shall work in collaboration with independent contractors to put into practice a program establishing quality before- or after-school programs for children in kindergarten to ninth grades. In order for an independent contractor to receive TANF funds, a child served must be a member of a family with an income that does not exceed 200% of the federal poverty guidelines published by the United States department of health and human services.

(3) The department shall, through a competitive bid process, provide grants or contracts up to \$5,000,000.00 in TANF funds for the program based on community needs. A county shall receive no more than 20% of the funds appropriated in part 1 for this program. From the funds appropriated in part 1 for before- or after-school programs within day care services, the department is authorized to make allocations of funds only to the agencies that report necessary data to the department for the purpose of meeting TANF and maintenance of effort eligibility reporting requirements. The use of funds under this section should not be considered an ongoing commitment of funding.

(4) The before- or after-school programs shall include academic assistance, including assistance with reading and writing, and at least 3 of the following topics:

- (a) Abstinence-based pregnancy prevention.
- (b) Chemical abuse and dependency including nonmedical services.
- (c) Gang violence prevention.
- (d) Preparation toward future self-sufficiency.
- (e) Leadership development.
- (f) Case management or mentoring.
- (g) Parental involvement.
- (h) Anger management.

(5) The department may enter into grants or contracts with independent contractors including, but not limited to, faith-based organizations, boys or girls clubs, schools, or nonprofit organizations. The department shall grant priority in funding independent contractors who secure at least 25% in matching funds. The matching funds may either be fulfilled through local, state, or federal funds, and/or through in-kind or other donations.

(6) A referral to a program may be made by, but is not limited to, any of the following: a teacher, counselor, parent, police officer, judge, or social worker.

(7) By January 30, 2007, the department before- or after-school program expenditures shall be audited and the department shall work in collaboration with independent contractors to provide a report on the before- or after-school program to the senate and house standing committees dealing with human services, the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies, and the senate and house policy offices. The report shall include the number of participants and the average cost per participant, as well as changes noted in program participants in any of the following categories:

- (a) Juvenile crime.
- (b) Aggressive behavior.
- (c) Academic achievement.
- (d) Development of new skills and interests.
- (e) School attendance and dropout rates.
- (f) Behavioral changes in school.

Sec. 658. From the funds appropriated in part 1 for day care services, \$126,500.00 in TANF funds shall be allocated to Grand Rapids youth commonwealth to support after-school and summer programs at camp O'Malley. As a condition for receiving funds, Grand Rapids youth commonwealth shall comply with all policies and reporting requirements placed on recipients of before- and after-school grants awarded under section 657.

Sec. 660. From the funds appropriated in part 1 for food bank funding, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The agencies that do not report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements will not receive allocations in excess of those received in fiscal year 2000. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Sec. 665. The department shall partner with the department of transportation and may partner with other entities to use TANF and other sources of available funding to support public transportation needs of TANF-eligible individuals. This partnership shall place a priority on transportation needs for employment or seeking employment or medical or health-related transportation.

Sec. 666. The department shall continue efforts to increase the participation of eligible family independence program recipients in the federal earned income tax credit.

Sec. 668. (1) In coordination with the Michigan alliance of boys and girls clubs, the department shall expend \$250,000.00 to make allocations for a statewide collaborative project to develop a community-based program available to children ages 6 to 15.

(2) The department shall make allocations of TANF funds under this section only to agencies that report necessary data to the department for the purpose of meeting the TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment.

(3) The department shall grant priority in funding to programs that provide at least 10% in matching funds. The matching funds requirement shall be fulfilled through any combination of local, state, or federal funds or in-kind or other donations. A program that cannot meet the matching requirement shall not be excluded from applying for a contract.

Sec. 669. (1) The department shall distribute cash and food assistance to recipients electronically by using debit cards.

(2) The department shall allocate up to \$7,167,500.00 for the annual clothing allowance. The allowance shall be granted to all eligible children as defined by the department.

Sec. 670. The funds appropriated in part 1 for kinship care in the fiscal year ending September 30, 2007 reflect the legislature's commitment to reduce the benefit discrepancy between kinship care and a similar family size within the family independence program (FIP). The legislature recognizes the commitment of relatives to provide family continuity, nurturance, and care for this special population of children who can no longer remain in their parents' care due to abuse, neglect, or other social problems.

Sec. 673. The department shall immediately send notification to a client participating in the state child day care program and his or her child day care provider if the client's eligibility is reduced or eliminated.

Sec. 674. The department shall develop and implement a plan to reduce waste, fraud, and abuse within the child day care program, including feasibility for expanding wage match and employer verification, unannounced home call verification at day care sites, compliance with recommendations of the auditor general in the May 2005 performance audit of the child day care and child welfare licensing divisions, and other process changes. Beginning December 31, 2006, the department shall report annually to the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on plan details and implementation status, including, at least, the following measurable performance indicators:

- (a) The success or failure of the expansion of wage match and employer verification.
- (b) The success or failure of unannounced home call verification at day care sites.
- (c) The success or failure of complying with the recommendations of the auditor general in the May 2005 performance audit of the child day care and child welfare licensing divisions.
- (d) The amount of money recovered as a result of the plan for the preceding fiscal year.
- (e) The amount of money saved as a result of the plan for the preceding fiscal year.
- (f) The number of day care case closures as a result of the plan.
- (g) The number of criminal convictions as a result of the plan.
- (h) Any policy changes related to the plan.

Sec. 675. (1) The department shall continue to explore policy options and the potential costs of implementing a child day care rate structure that more accurately reflects the market cost and availability of care by vicinity.

(2) The department shall work with family independence program recipients, employers, and day care or kinship providers to identify barriers to day care services for custodial parents working nontraditional work schedules or engaged in education and training programs with nontraditional times and shall report recommendations to the legislature during the annual budget presentation to the senate and house subcommittees with jurisdiction over the department's budget. These recommendations shall include measures to increase awareness and access to day care for those recipients.

Sec. 676. (1) The department shall collaborate with the state board of education to extend the duration of the Michigan after-school partnership and oversee its efforts to implement the policy recommendations and strategic next steps identified in the Michigan after-school initiative's report of December 15, 2003.

(2) From the funds appropriated in part 1, \$25,000.00 may be used to support the Michigan after-school partnership and shall be used to leverage other private and public funding to engage the public and private sectors in building and sustaining high-quality out-of-school-time programs and resources. The co-chairs shall name a fiduciary agent and may authorize the fiduciary to expend funds and hire people to accomplish the work of the Michigan after-school partnership.

(3) Each year, on or before December 31, the Michigan after-school partnership shall report its progress in reaching the recommendations set forth in the Michigan after-school initiative's report to the senate and house committees on appropriations, the senate and house fiscal agencies and policy offices, and the state budget director.

Sec. 677. The department shall establish a state goal for the percentage of family independence program (FIP) cases involved in employment activities. The percentage established shall not be less than 50%. On a monthly basis, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on the current percentage of FIP cases involved in employment activities and the current percentage of JET pilot program cases involved in employment activities. If the FIP case percentage is below the goal for more than 2 consecutive quarters, the department shall develop a plan to increase the percentage of FIP cases involved in employment-related activities. The department shall deliver the plan during the next annual budget presentation to the senate and house appropriations subcommittees on the department budget.

Sec. 678. (1) The department shall provide the house and senate appropriations subcommittees on the department budget with an annual report on the activities of the early childhood investment corporation (ECIC). The report is due by February 1 of each year and shall contain at least the following information:

- (a) Expenditures for the prior fiscal year and planned expenditures for the current fiscal year for ECIC administration and for each program administered by the ECIC.
- (b) The projected funding sources for the ECIC expenditures in subdivision (a).
- (c) A list of all new and ongoing contracts for ECIC programs.

(2) All contracts shall be bid out through a statewide request-for-proposal process, and the department shall send a report to the house and senate appropriations subcommittees on the department budget covering the selection criteria for establishing contracts at least 30 days before the issuance of any request for proposals.

Sec. 681. By December 1, 2006, the department shall implement policy changes in the distribution of food assistance program benefits to address concerns expressed by grocers, food providers, and the Michigan food policy council. The distribution change shall seek to achieve a more uniform flow of food assistance expenditures in any given month and also consider the needs of recipients. A report on the implemented policy changes shall be provided to the house and senate appropriations committees, the house and senate fiscal agencies, and the house and senate policy offices by December 1, 2006.

## **JUVENILE JUSTICE SERVICES**

Sec. 702. Expansion of facilities funded under part 1 for juvenile justice services shall not be authorized by the joint capital outlay subcommittee of the appropriations committees until the department has held a public hearing in the community where the facility proposed to be expanded is located.

Sec. 705. (1) The department, in conjunction with private juvenile justice residential programs, shall develop a methodology for measuring goals, objectives, and performance standards for the delivery of juvenile justice residential programs based on national standards and best practices. These goals, objectives, and performance standards shall apply to both public and private delivery of juvenile justice residential programs, and data shall be collected from both private and public juvenile justice residential programs that can be used to evaluate performance achievements, including, but not limited to, the following:

- (a) Admission and release data and other information related to demographics of population served.
- (b) Program descriptions and information related to treatment, educational services, and conditions of confinement.
- (c) Program outcomes including recidivism rates for youth served by the facility.

(2) The department during the annual budget presentation shall outline the progress of the development of the goals, objectives, and performance standards, as well as the information collected through the implementation of the performance measurement program. The presentation shall include all of the following:

- (a) Trends in census and population demographics.
- (b) Program outcomes.
- (c) Staff and resident safety.
- (d) Facility profile.
- (e) Fiscal information necessary for qualitative understanding of program operations and comparative costs of public and private facilities.

Sec. 706. Counties shall be subject to 50% charge-back for the use of alternative regional detention services, if those detention services do not fall under the basic provision of section 117e of the social welfare act, 1939 PA 280, MCL 400.117e, or if a county operates those detention services programs primarily with professional rather than volunteer staff.

Sec. 707. In order to be reimbursed for child care fund expenditures, counties are required to submit department-developed reports to enable the department to document potential federally claimable expenditures. This requirement is in accordance with the reporting requirements specified in section 117a(7) of the social welfare act, 1939 PA 280, MCL 400.117a.

Sec. 708. As a condition of receiving funds appropriated in part 1 for the child care fund, by February 15, 2007, counties shall have an approved service spending plan for the fiscal year ending September 30, 2007. Counties must submit the service spending plan to the department by December 15, 2006 for approval.

Sec. 714. (1) The department shall provide technical assistance for counties to develop information networks including, but not limited to, serious habitual offenders comprehensive action program (SHOCAP), juvenile justice on-line technology (JJOLT), and juvenile violent reporting system (JVRS).

(2) The department shall assist counties in identifying funding sources for the networks, including, but not limited to, the child care fund and the juvenile accountability incentive block grant.

(3) The local units of government shall report to the department on expenditures of their juvenile justice information networks in concert with their requests for reimbursement from the child care fund.

(4) The department shall report to the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget director by January 15, 2007 on department efforts to encourage county information networks development described in subsection (1).

Sec. 715. (1) It is the intent of the legislature that the primary function of the juvenile justice system shall be to promote the protection of individuals and communities through the reduction of juvenile crime.

(2) The department shall report to the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget director by October 30, 2006 on the status of implementing recommendations of the 2001 joint house and senate task force on juvenile justice, including, but not limited to, the following:

(a) Mentoring programs that focus on improving communication and collaboration, encourage quality mentoring programs, recruitment of mentors, and increasing public awareness of and participation in programs for at-risk youth.

(b) Discussion of programs relating to juvenile information networks as an Internet-based communication tool that assists with case management of juvenile offenders in the area.

(c) Discussion of the possibility of implementing a program modeled after the "Wisconsin citizenship initiative" to collaborate with the before- or after-school programs offered under the authority of this article.

(d) Exploration of the option of a summit conducted via the Internet to discuss measures relating to the prevention and intervention of at-risk youth.

(e) Discussion of California's "8% early intervention" program that focuses on aggressive early intervention and treatment of young, high at-risk juvenile offenders and their families.

(f) Multisystem therapy.

(g) Youth service projects.

(h) Community services projects.

Sec. 719. The department shall notify the legislature at least 30 days before closing or making any change in the status of a state juvenile justice facility.

Sec. 720. (1) The goal of high security juvenile services funded in part 1 shall be to protect the general public from dangerous juvenile offenders while providing rehabilitation services to those offenders to safely prepare them for entry into society.

(2) The department shall take into consideration the recommendations on a methodology for measuring goals, objectives, and performance standards developed in conjunction with private providers of juvenile justice residential programs required in section 705 of 2004 PA 344.

(3) The department shall allocate money to public and private providers of high security juvenile services based on their ability to demonstrate results in all of the following:

(a) Lower recidivism rates.

(b) Higher school completion rates or GED completion rates.

(c) Shorter average stays in a residential facility.

(d) Lower average cost per resident.

(e) Availability of appropriate services to residents.

(4) The department shall comply with section 1150 of the social welfare act, 1939 PA 280, MCL 400.1150, regarding placement of juvenile offenders, and shall refer to that statutory requirement in making referral recommendations to courts for secure residential programs.

(5) The department shall require, if possible and practical, that aftercare services for a juvenile offender be provided by the same organization or provider that provided residential care for that juvenile.

Sec. 721. (1) The goal of medium or low security juvenile services shall be effective treatment of juvenile offenders to safely prepare them for entry into society.

(2) The department shall allocate money to public and private providers of medium or low security juvenile services based on their ability to demonstrate results in all of the following:

(a) Reduced rates of recidivism.

(b) Higher rates of high school or GED completion.

(c) Shorter average stays in a residential facility.

(d) Availability of appropriate services to residents.

(3) The department shall comply with section 115o of the social welfare act, 1939 PA 280, MCL 400.115o, regarding the placement of juvenile offenders, and shall refer to that statutory requirement in making referral recommendations to courts for residential treatment programs.

(4) The department shall require, if possible and practical, that aftercare services for a juvenile offender be provided by the same program or provider that provided treatment for the juvenile in residential care.

Sec. 722. (1) The goal of community juvenile justice centers shall be the effective treatment and rehabilitation of juvenile offenders in appropriate community settings.

(2) The department shall allocate money to public and private providers of juvenile justice day programs based on their ability to demonstrate results in all of the following:

- (a) Reduced rates of recidivism.
- (b) Higher rates of high school or GED completion.
- (c) Availability of appropriate services to offenders.

Sec. 723. A provider of juvenile services may receive funding for services of different security levels if the provider has appropriate services for each security level and adequate measures to separate residents of each security level.

## **LOCAL OFFICE SERVICES**

Sec. 750. The department shall maintain out-stationed eligibility specialists in community-based organizations and hospitals in the same locations as in fiscal year 2003-2004.

Sec. 751. (1) From the funds appropriated in part 1, the department shall implement school-based family resource centers based on the following guidelines:

- (a) The center is supported by the local school district.
  - (b) The programs and information provided at the center do not conflict with sections 1169, 1507, and 1507b of the revised school code, 1976 PA 451, MCL 380.1169, 380.1507, and 380.1507b.
  - (c) Notwithstanding subdivision (b), the center shall provide information regarding crisis pregnancy centers or adoption service providers in the area.
- (2) The department shall notify the senate and house subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget office of family resource center expansion efforts and shall provide all of the following at the beginning of the selection process or no later than 5 days after eligible schools receive opportunity notification:
- (a) A list of eligible schools.
  - (b) The selection criteria to be used.
  - (c) The projected number to be opened.
  - (d) The financial implications for expansion, including funding sources.

Sec. 753. The department shall implement the recommendations of the 2004 public private partnership initiative's training committee to define, design, and implement a train-the-trainer program to certify private agency staff to deliver child welfare staff training, explore the use of e-learning technologies, and include consumers in the design and implementation of training. The intent of the legislature is to reduce training and travel costs for both the department and the private agencies. The department shall report no later than December 1, 2006 on each specific policy change made to implement enacted legislation and the plans to implement the recommendations, including time lines, to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services matters, the senate and house fiscal agencies and policy offices, and the state budget director.

## **DISABILITY DETERMINATION SERVICES**

Sec. 801. The department disability determination services in agreement with the department of management and budget office of retirement systems will develop the medical information and make recommendations for medical disability retirement for state employees, state police, judges, and school teachers.

## **CHILD SUPPORT ENFORCEMENT**

Sec. 901. (1) The appropriations in part 1 assume a total federal child support incentive payment of \$26,500,000.00.

(2) From the federal money received for child support incentive payments, \$12,000,000.00 shall be retained by the state and expended for child support program expenses.

(3) From the federal money received for child support incentive payments, \$14,500,000.00 shall be paid to the counties based on each county's performance level for each of the federal performance measures as established in the code of federal regulations, CFR 45.305.2.

(4) If the child support incentive payment to the state from the federal government is greater than \$26,500,000.00, then 100% of the excess shall be retained by the state and is appropriated until the total retained by the state reaches \$15,397,400.00.

(5) If the child support incentive payment to the state from the federal government is greater than the amount needed to satisfy the provisions identified in subsections (1), (2), (3), and (4), the additional funds shall be subject to appropriation by the legislature.

(6) If the child support incentive payment to the state from the federal government is less than \$26,500,000.00, then the state and county share shall each be reduced by 50% of the shortfall.

Sec. 902. (1) The department shall continue its work to fix and improve the child support computer system using the funding carried forward from fiscal year 2005-2006 appropriations.

(2) The department shall consult with the department of treasury and any outside consultant with collections expertise under contract with the department of treasury to develop a plan to maximize the collection of child support and child support arrearage settlement for the purposes of this section.

(3) The department, through the child support leadership group, shall provide quarterly reports to the legislature concerning money expended and improvements made as a result of this section.

Sec. 903. The department may facilitate with the department of community health a program under which the departments independently or jointly contract with local friend of the court offices to update and maintain the child support statewide database with health insurance information in cases in which the court has ordered a party to the case to maintain health insurance coverage for the minor child or children involved in the case and to assist in the recovery of money paid by the state for health care costs that are otherwise recoverable from a party to the case. The program shall be in addition to a program or programs under existing contract between either or both of the departments with a private entity on September 1, 2005. The program shall be entirely funded with state and federal funds from money first recovered or through costs that are avoided by charging the insurance coverage for minor children from state programs to private insurance.

Sec. 904. The department is prohibited from charging back to the counties any of the fees paid that are charged by the internal revenue service or the department of treasury related to the tax intercept and offset programs. The state share of those fees shall be paid from money otherwise provided for office of child support programs.

Sec. 905. Of the funds appropriated in part 1 for child support collections, \$1,000,000.00 shall be allocated to counties for the local match for friend of the court services legal support contracts and to payments to county prosecutors for related legal services.

Sec. 906. From the funds appropriated in part 1 for legal support contracts, \$1,000,000.00 shall be allocated and paid pursuant to section 18a of the social welfare act, 1939 PA 280, MCL 400.18a.

Sec. 907. The office of child support in cooperation with the state court administrative office shall establish a pilot program to examine the effectiveness of contracting with a public or private collection agency as authorized under section 10 of the office of child support act, 1971 PA 174, MCL 400.240. The pilot program shall be implemented during fiscal year 2006-2007. Any restricted revenue collected pursuant to this section shall not be expended until the department and representatives from counties and the friends of the court meet and agree upon recommendations for use of the revenue. The revenue is subject to appropriation by the legislature.

## **OFFICE OF CHILDREN AND ADULT LICENSING**

Sec. 1001. The department shall assess fees in the licensing and regulation of child care organizations as defined in 1973 PA 116, MCL 722.111 to 722.128, and adult foster care facilities as defined in the adult foster care facility licensing act, 1979 PA 218, MCL 400.701 to 400.737. Fees collected by the department shall be used exclusively for the purpose of licensing and regulating child care organizations and adult foster care facilities.

Sec. 1002. The department shall furnish the clerk of the house, the secretary of the senate, the senate and house fiscal agencies and policy offices, the state budget office, and all members of the house and senate appropriations committees with a summary of any evaluation reports and subsequent approvals or disapprovals of juvenile residential facilities operated by the department, as required by section 6 of 1973 PA 116, MCL 722.116. If no evaluations are conducted during the fiscal year, the department shall notify the fiscal agencies and all members of the appropriate subcommittees of the house and senate appropriations committees.

Sec. 1003. If federal funds become available to support a lead testing program, the department shall, before issuing a license for a day care facility and as part of licensing review and facility inspection, require documentation verifying that the facility has been inspected for lead hazards and that any lead hazards identified have been remediated.

Sec. 1004. From the funds appropriated in part 1 for AFC, children's welfare, and day care licensure, \$358,800.00 shall be used to hire 5 additional licensing investigators. At least 50% of the investigators hired shall specifically investigate those allegations classified by the department as high risk. An investigation would be in the high risk category if it involves the following: death or serious injury; alleged physical, sexual, or emotional abuse, neglect, endangerment, or exploitation; or any situation that threatens the life of a child in care.

Sec. 1005. The department shall develop a plan for a performance-based licensing system. The plan shall include an approach that emphasizes site visits for new licensees and licensees with violations or filed complaints and random, but not required, site visits for licensees who have been in business for 5 years or more with no violations or filed complaints. The plan shall direct the licensing staff and field consultants to prioritize resources and site reviews on new licensees and those with documented complaints. The plan activities shall also be based on risk to the vulnerable children and adults receiving services from licensees. The plan shall include an implementation date for fiscal year 2006-2007 and be submitted, by January 31, 2007, to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director.

## ARTICLE 11

### JUDICIARY

#### PART 1

#### LINE-ITEM APPROPRIATIONS

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

#### JUDICIARY

##### APPROPRIATION SUMMARY:

Full-time equated exempted positions.....	509.0		
GROSS APPROPRIATION.....		\$	259,428,100
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers .....	2,563,500		
ADJUSTED GROSS APPROPRIATION.....		\$	256,864,600
Federal revenues:			
Total federal revenues .....	4,626,400		
Special revenue funds:			
Total local revenues .....	3,612,400		
Total private revenues.....	842,500		
Total other state restricted revenues .....	87,178,500		
State general fund/general purpose .....		\$	160,604,800

#### Sec. 102. SUPREME COURT (SAFETY)

Full-time equated exempted positions.....	235.0		
Supreme court administration—97.0 FTE positions.....		\$	11,361,800
Judicial institute—16.0 FTE positions.....			2,756,500
State court administrative office—62.0 FTE positions .....			10,562,100
Judicial information systems—18.0 FTE positions .....			3,291,100
Direct trial court automation support—26.0 FTE positions.....			3,612,400



		For Fiscal Year Ending Sept. 30, 2007
Foster care review board—12.0 FTE positions.....	\$	1,277,800
Community dispute resolution—4.0 FTE positions .....		2,277,300
Other federal grants.....		275,000
Drug treatment courts.....		4,729,000
GROSS APPROPRIATION.....	\$	40,143,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of community health.....		1,800,000
IDG from department of labor and economic growth.....		40,000
IDG from state police - Michigan justice training fund.....		300,000
Federal revenues:		
DOJ, victims assistance programs.....		50,000
DOJ, drug court training and evaluation .....		300,000
DOT, national highway traffic safety administration .....		800,000
HHS, access and visitation grant .....		387,000
HHS, children's justice grant.....		206,300
HHS, court improvement project.....		1,160,000
HHS, title IV-D child support program.....		907,700
HHS, title IV-E foster care program .....		540,400
Other federal grant revenues.....		275,000
Special revenue funds:		
Local - user fees.....		3,612,400
Private .....		169,000
Private - interest on lawyers trust accounts.....		232,700
Private - state justice institute .....		370,800
Community dispute resolution fund.....		2,277,300
Law exam fees .....		482,100
Drug court fund .....		1,920,500
Miscellaneous revenue .....		227,900
Justice system fund.....		700,000
State court fund .....		339,000
State general fund/general purpose .....	\$	23,044,900
<b>Sec. 103. COURT OF APPEALS (SAFETY)</b>		
Full-time equated exempted positions.....		212.0
Court of appeals operations—212.0 FTE positions .....	\$	19,615,700
GROSS APPROPRIATION.....	\$	19,615,700
Appropriated from:		
Special revenue funds:		
Court filing/motion fees .....		1,958,500
Miscellaneous revenue .....		77,800
State general fund/general purpose .....	\$	17,579,400
<b>Sec. 104. BRANCHWIDE APPROPRIATIONS (SAFETY)</b>		
Full-time equated exempted positions.....		4.0
Branchwide appropriations—4.0 FTE positions.....	\$	8,200,000
GROSS APPROPRIATION.....	\$	8,200,000
Appropriated from:		
State general fund/general purpose .....	\$	8,200,000
<b>Sec. 105. JUSTICES' AND JUDGES' COMPENSATION (SAFETY)</b>		
Full-time judges positions.....		617.0
Supreme court justices' salaries—7.0 judges .....	\$	1,152,300
Court of appeals judges' salaries—28.0 judges .....		4,240,300
District court judges' state base salaries—258.0 judges .....		23,877,200
District court judicial salary standardization.....		11,796,800
Probate court judges' state base salaries—103.0 judges.....		9,498,100
Probate court judicial salary standardization.....		4,599,700
Circuit court judges' state base salaries—221.0 judges .....		20,723,000

		For Fiscal Year Ending Sept. 30, 2007
Circuit court judicial salary standardization .....	\$	10,059,300
Judges' retirement system defined contributions .....		3,094,600
OASI, social security.....		4,978,900
GROSS APPROPRIATION .....	\$	94,020,200
Appropriated from:		
Special revenue funds:		
Court fee fund .....		7,090,200
State general fund/general purpose .....	\$	86,930,000
<b>Sec. 106. JUDICIAL AGENCIES (SAFETY)</b>		
Full-time equated exempted positions.....	8.0	
Judicial tenure commission—8.0 FTE positions .....	\$	1,023,500
GROSS APPROPRIATION .....	\$	1,023,500
Appropriated from:		
State general fund/general purpose .....	\$	1,023,500
<b>Sec. 107. INDIGENT DEFENSE - CRIMINAL (SAFETY)</b>		
Full-time equated exempted positions.....	50.0	
Appellate public defender program—42.0 FTE positions.....	\$	4,903,500
Appellate assigned counsel administration—8.0 FTE positions .....		894,200
GROSS APPROPRIATION .....	\$	5,797,700
Appropriated from:		
Interdepartmental grant revenues:		
IDG from state police - Michigan justice training fund.....		423,500
Special revenue funds:		
Private - interest on lawyers trust accounts .....		70,000
Miscellaneous revenue .....		113,100
State general fund/general purpose .....	\$	5,191,100
<b>Sec. 108. INDIGENT CIVIL LEGAL ASSISTANCE (SAFETY)</b>		
Indigent civil legal assistance.....	\$	7,937,000
GROSS APPROPRIATION .....	\$	7,937,000
Appropriated from:		
Special revenue funds:		
State court fund .....		7,937,000
State general fund/general purpose .....	\$	0
<b>Sec. 109. TRIAL COURT OPERATIONS (SAFETY)</b>		
Court equity fund reimbursements .....	\$	69,075,900
Judicial technology improvement .....		4,465,000
GROSS APPROPRIATION .....	\$	73,540,900
Appropriated from:		
Special revenue funds:		
Court equity fund .....		50,440,000
Judicial technology improvement fund .....		4,465,000
State general fund/general purpose .....	\$	18,635,900
<b>Sec. 110. GRANTS AND REIMBURSEMENTS TO LOCAL GOVERNMENT (SAFETY)</b>		
Drug case-flow program .....	\$	250,000
Drunk driving case-flow program.....		2,300,000
Juror compensation reimbursement.....		6,600,000
Transcript fee reimbursement .....		100
GROSS APPROPRIATION .....	\$	9,150,100
Appropriated from:		
Special revenue funds:		
Drug fund .....		250,000
Drunk driving fund.....		2,300,000
Juror compensation fund .....		6,600,000
Transcript fee fund .....		100
State general fund/general purpose .....	\$	0

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is \$247,783,300.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is estimated at \$124,419,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

**JUDICIARY**

**SUPREME COURT**

State court administrative office .....	\$	511,900
Drug treatment courts.....		4,429,000

**TRIAL COURT OPERATIONS**

Court equity fund reimbursements.....	\$	69,075,900
Judicial technology improvement fund.....		4,465,000

**JUSTICES' AND JUDGES' COMPENSATION**

District court judicial salary standardization.....	\$	11,796,800
Probate court judges' state base salaries.....		9,498,100
Probate court judicial salary standardization.....		4,599,700
Circuit court judicial salary standardization .....		10,059,300
Grant to OASI contribution fund, employers share, social security .....		833,200

**GRANTS AND REIMBURSEMENTS TO LOCAL GOVERNMENT**

Drunk driving case-flow program.....	\$	2,300,000
Drug case-flow program.....		250,000
Juror compensation reimbursement.....		6,600,000
Transcript fee reimbursement .....		100
TOTAL .....	\$	124,419,000

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

(2) Funds appropriated in part 1 to an entity within the judicial branch shall not be expended or transferred to another account without written approval of the authorized agent of the judicial entity. If the authorized agent of the judicial entity notifies the state budget director of its approval of an expenditure or transfer, the state budget director shall immediately make the expenditure or transfer. The authorized judicial entity agent shall be designated by the chief justice of the supreme court.

Sec. 203. As used in this article:

- (a) "DOJ" means the United States department of justice.
- (b) "DOT" means the United States department of transportation.
- (c) "FTE" means full-time equated.
- (d) "HHS" means the United States department of health and human services.
- (e) "IDG" means interdepartmental grant.
- (f) "OASI" means old age survivor's insurance.

Sec. 204. The judicial branch shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 208. The reporting requirements of this article shall be completed with the approval of, and at the direction of, the supreme court. Unless otherwise specified, the judicial branch shall use the Internet to fulfill the reporting requirements of this article. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

Sec. 212. As a condition of expending appropriations made under part 1, the judicial branch shall receive and retain copies of all reports funded from appropriations in part 1 and shall follow federal and state guidelines for short-term and long-term retention of such reports and records.

Sec. 214. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality.

Sec. 215. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2007 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

## **JUDICIAL BRANCH**

Sec. 301. (1) The direct trial court automation support program of the state court administrative office shall recover direct and overhead costs from trial courts by charging for services rendered. The fee shall cover the actual costs incurred to the direct trial court automation support program in providing the service, including development of future versions of case management systems. A report of amounts collected in excess of funds identified as user service charges in part 1 shall be submitted to the state budget director and to the house and senate appropriations subcommittees on judiciary 30 days before expenditure by the direct trial court automation support program.

(2) From funds appropriated in part 1, the direct trial court automation support program of the state court administrative office shall provide to the state budget director, the senate and house appropriations committees, and the senate and house fiscal agencies before January 1 of each year, a detailed list of user service charges collected during the immediately preceding state fiscal year.

Sec. 302. Funds appropriated within the judicial branch shall not be expended by any component within the judicial branch without the approval of the supreme court.

Sec. 303. Of the amount appropriated in part 1 for the judicial branch, \$325,000.00 is allocated for circuit court reimbursement under section 3 of 1978 PA 16, MCL 800.453, and \$186,900.00 is allocated for court of claims reimbursement under section 6413 of the revised judicature act of 1961, 1961 PA 236, MCL 600.6413.

Sec. 304. As a condition of expending appropriations made under part 1, the judicial branch shall cooperate with the auditor general regarding audits of the judicial branch conducted under section 53 of article IV of the state constitution of 1963.

Sec. 305. As a condition of expending appropriations made under part 1, and to avoid the overexpenditure of funds appropriated under this article, the supreme court shall report quarterly to members of the senate and house appropriations subcommittees on the judiciary, the senate and house fiscal agencies, and the state budget director on the status of accounts set forth in part 1. The report required by this section shall include quarterly, year-to-date, and projected expenditures by funding source for each line item, and beginning balances and quarterly, year-to-date, and projected revenues for each source of revenue other than general fund/general purpose revenues.

Sec. 306. The supreme court and the state court administrative office shall continue to maintain, as a priority, the assisting of local trial courts in improving the collection of judgments.

Sec. 307. It is the intent of the legislature that from the funds appropriated in part 1 for court of appeals operations, the judiciary shall use the following revenue amounts for the purpose of delay reduction:

(a) \$225,000.00 of additional filing fee revenue raised from the increase from \$250.00 to \$375.00 in court of appeals filing fees under section 321(1)(a) of the revised judicature act of 1961, 1961 PA 236, MCL 600.321.

(b) \$87,500.00 of additional fee revenue raised from the increase in court of appeals motion fees from \$75.00 to \$100.00 and from the increase from \$150.00 to \$200.00 in fees for motions for immediate consideration or expedited appeal under section 321(1)(b) and (c) of the revised judicature act of 1961, 1961 PA 236, MCL 600.321.

Sec. 308. If sufficient funds are not available from the court fee fund to pay judges' compensation, the difference between the appropriated amount from that fund for judges' compensation and the actual amount available after the amount appropriated for trial court reimbursement is made shall be appropriated from the state general fund for judges' compensation.

Sec. 310. From the funds appropriated in part 1 for drug treatment court programs, under the direction of the supreme court, the state court administrative office shall contract with 1 or more independent third parties for evaluation and monitoring of drug court programs funded by the judiciary. The evaluation shall include measures of the impact of drug court programs in changing offender criminal involvement (recidivism) and substance abuse and in reducing prison admissions. The evaluation of a program funded with federal Byrne funds shall be consistent with any requirements contained in the federal Byrne grant for that program. Evaluations required by this section shall, to the extent feasible, compare offenders treated under the programs with other offenders of similar characteristics. Not later than April 1 of each year, the state court administrative office shall provide a progress report regarding the status and findings of the evaluation to the senate and house appropriations subcommittees on the judiciary, the senate and house fiscal agencies, and the state budget director.

Sec. 311. (1) The funds appropriated in part 1 for drug treatment courts shall be administered by the state court administrative office to operate drug treatment court programs. A drug treatment court program shall not receive funds for more than 5 years. A drug treatment court shall be responsible for handling cases involving substance abusing nonviolent offenders through comprehensive supervision, testing, treatment services, and immediate sanctions and incentives. A drug treatment court shall use all available county and state personnel involved in the disposition of cases including, but not limited to, parole and probation agents, prosecuting attorneys, defense attorneys, and community corrections providers. The funds may be used in connection with other federal, state, and local funding sources.

(2) Local units of government are encouraged to refer to federal drug treatment court guidelines to prepare proposals. However, federal agency approvals are not required for funding under this section.

(3) From the funds appropriated in part 1, the chief justice shall allocate sufficient funds for the judicial institute to provide in-state training for those identified in subsection (1), including training for new drug treatment court judges.

(4) For drug treatment court grants, consideration for priority may be given to those courts where higher instances of substance abuse cases are filed.

(5) The judiciary shall receive \$1,800,000.00 in Byrne formula grant funding as an interdepartmental grant from the department of community health to be used for expansion of drug treatment courts, to assist in avoiding prison bed space growth for nonviolent offenders in collaboration with the department of corrections.

Sec. 312. From the funds appropriated in part 1, the state court administrator shall produce a statistical report regarding the implementation of the parental rights restoration act, 1990 PA 211, MCL 722.901 to 722.908, as it pertains to minors seeking a court-issued waiver of parental consent. The state court administrative office shall report the total number of petitions filed and the total number of petitions granted in accordance with section 208.

Sec. 313. It is the intent of the legislature that from the funds appropriated in part 1 for the judicial institute, training shall be provided to judges on judicial responsibilities under Michigan rules of evidence pertaining to expert witnesses. Training shall include, but not be limited to, instruction on the responsibility of the courts to guard against and exclude unreliable expert testimony, including whether the manner in which an expert witness extrapolates and interprets data is science-based with sufficient facts to support the data.

Sec. 317. From the funds appropriated in part 1 for transcript fee reimbursement, the judiciary shall reimburse counties for additional costs incurred in the event of a statutory increase in transcript fees under section 2543 of the revised judicature act of 1961, 1961 PA 236, MCL 600.2543.

## ARTICLE 12 LABOR AND ECONOMIC GROWTH

### PART 1 LINE-ITEM APPROPRIATIONS

Sec. 101. The amounts listed in this part are appropriated for the department of labor and economic growth, subject to the conditions set forth in this article, for the fiscal year ending September 30, 2007, from the funds identified in this part. The following is a summary of the appropriations in this part:

#### DEPARTMENT OF LABOR AND ECONOMIC GROWTH APPROPRIATION SUMMARY:

Full-time equated unclassified positions .....	58.5	
Full-time equated classified positions .....	4,238.5	
GROSS APPROPRIATION .....		\$ 1,231,476,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		23,485,800
ADJUSTED GROSS APPROPRIATION .....		\$ 1,207,990,400
Federal revenues:		
Total federal revenues .....		795,345,800
Special revenue funds:		
Total local revenues .....		15,824,300
Total private revenues .....		2,314,300
Total other state restricted revenues .....		347,069,300
State general fund/general purpose .....		\$ 47,436,700

#### Sec. 102. DEPARTMENTAL ADMINISTRATION

Full-time equated unclassified positions .....	58.5	
Full-time equated classified positions .....	180.0	
Unclassified salaries .....		\$ 5,349,400
Executive director programs—53.0 FTE positions .....		6,190,600
Regulatory efficiency improvements/backlog reduction initiative .....		665,600
Property management .....		11,071,100
Rent .....		17,215,600
Worker's compensation .....		2,396,000
Special project advances .....		940,000
HR optimization charges .....		252,800
Administrative services—127.0 FTE positions .....		12,952,200
GROSS APPROPRIATION .....		\$ 57,033,300
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of community health .....		300,000
Federal revenues:		
DED-OEERE, multiple grants .....		9,100
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants .....		4,904,500
DOL-ETA, unemployment insurance .....		14,434,400
DOL-ETA, workforce investment act .....		861,500

		For Fiscal Year Ending Sept. 30, 2007
DOL, federal funds .....	\$	2,330,100
DOL, multiple grants for safety and health .....		733,900
Federal revenues .....		850,300
HHS, temporary assistance for needy families .....		347,000
HHS, titles XVIII and XIX .....		34,700
Special revenue funds:		
Private - special project advances .....		940,000
Local revenues .....		134,100
Bank fees .....		527,500
Boiler fees .....		244,000
Construction code fund .....		1,124,800
Consumer finance fees .....		180,900
Contingent fund, penalty and interest account .....		885,300
Contingent fund, regular penalty and interest .....		3,900
Corporation fees .....		5,224,100
Credit union fees .....		358,000
Elevator fees .....		268,600
Fees and collections/asbestos .....		78,400
Fire service fees .....		615,300
Insurance licensing and regulation fees .....		2,031,100
Insurance regulatory fees .....		1,071,800
Licensing and regulation fees .....		790,400
Liquor license revenue .....		100,000
Liquor purchase revolving fund .....		6,219,400
Manufactured housing commission fees .....		279,700
Michigan state housing development authority fees and charges .....		3,644,700
Motor carrier fees .....		185,200
Public utility assessments .....		2,223,200
Private occupational school license fees .....		14,000
Rehabilitation services fees .....		90,300
Safety education and training fund .....		560,300
Second injury fund .....		253,500
Securities fees .....		2,414,400
Self-insurers security fund .....		83,300
Silicosis and dust disease fund .....		101,300
Tax tribunal fees .....		199,200
State general fund/general purpose .....	\$	1,381,100

### **Sec. 103. OFFICE OF FINANCIAL AND INSURANCE SERVICES**

Full-time equated classified positions .....	284.0	
Administration—9.0 FTE positions .....		\$ 2,730,100
Policy conduct and consumer assistance—123.0 FTE positions .....		18,379,200
Financial evaluation—152.0 FTE positions .....		21,991,600
GROSS APPROPRIATION .....		\$ 43,100,900
Appropriated from:		
Federal revenues:		
Federal regulatory project revenue .....		50,400
Special revenue funds:		
Bank fees .....		7,704,500
Consumer finance fees .....		4,215,600
Credit union fees .....		5,066,400
Deferred presentment service transaction fees .....		725,700
Insurance continuing education fees .....		829,600
Insurance licensing and regulation fees .....		3,289,600
Insurance regulatory fees .....		18,936,600
Multiple employer welfare arrangement .....		67,500
Securities fees .....		2,215,000
State general fund/general purpose .....		\$ 0

**Sec. 104. MICHIGAN BROADBAND DEVELOPMENT AUTHORITY**

Full-time equated classified positions .....	2.0	
Administration .....		\$ 501,800
GROSS APPROPRIATION .....		\$ 501,800
Appropriated from:		
Special revenue funds:		
Michigan broadband authority fees and charges .....		501,800
State general fund/general purpose .....		\$ 0

**Sec. 105. PUBLIC SERVICE COMMISSION**

Full-time equated classified positions .....	166.0	
Administration, planning and regulation—155.0 FTE positions .....		\$ 20,128,800
Energy office—9.0 FTE positions .....		5,307,300
Children's protection registry administration—2.0 FTE positions .....		264,700
GROSS APPROPRIATION .....		\$ 25,700,800
Appropriated from:		
Federal revenues:		
DOE-OEERE, multiple grants .....		4,828,100
DOT-RSPA, gas pipeline safety .....		984,900
Special revenue funds:		
Private - oil overcharge .....		30,000
Children's protection registry fund .....		264,700
Motor carrier fees .....		2,144,600
Public utility assessments .....		17,448,500
State general fund/general purpose .....		\$ 0

**Sec. 106. LIQUOR CONTROL COMMISSION**

Full-time equated classified positions .....	152.0	
Management support services—28.0 FTE positions .....		\$ 3,211,100
Liquor licensing and enforcement—124.0 FTE positions .....		11,756,900
GROSS APPROPRIATION .....		\$ 14,968,000
Appropriated from:		
Special revenue funds:		
Liquor license revenue .....		6,143,500
Liquor purchase revolving fund .....		8,824,500
State general fund/general purpose .....		\$ 0

**Sec. 107. MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

Full-time equated classified positions .....	266.0	
Payments on behalf of tenants .....		\$ 135,000,000
Housing and rental assistance program—266.0 FTE positions .....		33,984,400
GROSS APPROPRIATION .....		\$ 168,984,400
Appropriated from:		
Federal revenues:		
HUD, lower income housing assistance program .....		135,000,000
Special revenue funds:		
Michigan state housing development authority fees and charges .....		33,984,400
State general fund/general purpose .....		\$ 0

**Sec. 108. TAX TRIBUNAL**

Full-time equated classified positions .....	15.0	
Operations—15.0 FTE positions .....		\$ 1,804,000
GROSS APPROPRIATION .....		\$ 1,804,000
Appropriated from:		
Special revenue funds:		
Corporation fees .....		195,100
Securities fees .....		265,100
Tax tribunal fees .....		1,343,800
State general fund/general purpose .....		\$ 0



**Sec. 109. OCCUPATIONAL REGULATION**

Full-time equated classified positions.....	420.0	
Boiler inspection program—25.0 FTE positions.....	\$	2,679,700
Fire fighters training council.....		1,710,400
Fire marshal program.....		432,600
Fire safety program funding—57.0 FTE positions .....		4,190,100
Code enforcement—120.0 FTE positions .....		12,650,300
Commercial services—155.0 FTE positions.....		20,069,200
Elevator inspection program—30.0 FTE positions.....		2,842,300
Local manufactured housing communities inspections .....		250,000
Manufactured housing and land resources program—22.0 FTE positions .....		2,935,700
Property development group—11.0 FTE positions .....		1,528,600
GROSS APPROPRIATION.....	\$	49,288,900
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of community health, inspection contract.....		68,500
IDG from department of state police, homeland security.....		754,300
Federal revenues:		
FEMA.....		28,000
DOT.....		47,000
HHS, titles XVIII and XIX .....		700,000
Special revenue funds:		
Boiler fee revenue .....		3,069,600
Construction code fund.....		12,567,400
Corporation fees.....		10,285,700
Elevator fees .....		3,205,300
Fire alarm fees .....		95,000
Fire service fees .....		1,640,300
Homeowner construction lien recovery fund.....		1,532,800
Licensing and regulation fees.....		9,486,100
Manufactured housing commission fees.....		2,515,700
Michigan boxing fund.....		206,200
Property development fees.....		275,500
Real estate appraiser continuing education fund .....		45,000
Real estate education fund.....		267,500
Remonumentation fees .....		691,100
Securities fees .....		1,499,900
Security business fund.....		308,000
State general fund/general purpose .....	\$	0

**Sec. 110. EMPLOYMENT RELATIONS**

Full-time equated classified positions.....	21.0	
Employment and labor relations—21.0 FTE positions.....	\$	3,121,200
GROSS APPROPRIATION.....	\$	3,121,200
Appropriated from:		
Federal revenues:		
EEOC, federal funds.....		10,000
Special revenue funds:		
Securities fees .....		3,056,700
State general fund/general purpose .....	\$	54,500

**Sec. 111. MICHIGAN OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION**

Full-time equated classified positions.....	229.0	
Occupational safety and health—229.0 FTE positions .....	\$	25,846,300
GROSS APPROPRIATION.....	\$	25,846,300
Appropriated from:		
Federal revenues:		
DOL, multiple grants for safety and health .....		12,281,800

Special revenue funds:	
Corporation fees.....	\$ 2,202,000
Fees and collections/asbestos .....	833,900
Licensing and regulation fees.....	1,174,800
Safety education and training fund .....	7,581,500
Securities fees .....	1,772,300
State general fund/general purpose .....	\$ 0

#### **Sec. 112. BUREAU OF WORKER'S AND UNEMPLOYMENT COMPENSATION**

Full-time equated classified positions .....	1,251.0	
Administration—96.6 FTE positions .....		\$ 9,584,200
Board of magistrates and appellate commission—19.4 FTE positions.....		2,887,900
Wage and hour division—35.0 FTE positions .....		2,983,100
Insurance funds administration—28.0 FTE positions.....		4,485,400
Supplemental benefit fund .....		1,300,000
Unemployment programs—1,002.7 FTE positions.....		87,519,600
Advocacy assistance program .....		1,500,000
Special audit and collections program—34.0 FTE positions.....		2,772,100
Training program for agency staff—2.1 FTE positions .....		1,799,500
Expanded fraud control program—33.2 FTE positions .....		3,081,900
GROSS APPROPRIATION.....		<u>\$ 117,913,700</u>

##### Appropriated from:

##### Federal revenues:

DOL-ETA, employment and training administration.....	646,200
DOL-ETA, unemployment insurance .....	90,164,200
Federal Reed act funds .....	4,362,700

##### Special revenue funds:

Corporation fees.....	2,472,100
Contingent fund, penalty and interest account .....	10,259,000
Licensing and regulation fees.....	789,700
Second injury fund .....	2,414,800
Securities fees .....	2,472,600
Self-insurers security fund.....	1,141,600
Silicosis and dust disease fund .....	929,000
Worker's compensation administrative revolving fund .....	2,261,800
State general fund/general purpose .....	\$ 0

#### **Sec. 113. STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES**

Full-time equated classified positions.....	163.0	
Administrative hearings and rules—163.0 FTE positions .....		\$ 21,019,600
GROSS APPROPRIATION.....		\$ 21,019,600

##### Appropriated from:

##### Interdepartmental grant revenues:

IDG from department of community health .....	1,641,200
IDG from department of corrections .....	3,660,400
IDG from department of education .....	1,025,000
IDG from department of environmental quality.....	502,800
IDG from department of human services .....	3,214,300
IDG from department of management and budget.....	40,500

##### Federal revenues:

DOL-ETA, unemployment insurance .....	6,101,600
DOL, multiple grants for safety and health .....	195,000

##### Special revenue funds:

Construction code fund.....	282,100
Corporation fees.....	351,900
Insurance regulatory fees .....	333,900
Licensing and regulation fees.....	1,074,000
Liquor purchase revolving fund.....	115,200

		For Fiscal Year Ending Sept. 30, 2007
Manufactured housing commission fees.....	\$	137,900
Public utility assessments .....		1,225,900
Safety education and training fund .....		188,700
Securities fees .....		855,600
Tax tribunal fees.....		73,600
State general fund/general purpose .....	\$	0

#### **Sec. 114. INFORMATION TECHNOLOGY**

Information technology services and projects.....	\$	43,188,500
GROSS APPROPRIATION.....	\$	43,188,500

Appropriated from:

Federal revenues:

DOL-ETA, unemployment insurance .....	20,754,300
DOL, multiple grants for safety and health .....	268,400
Federal revenues .....	5,852,700
HHS, temporary assistance for needy families .....	176,300

Special revenue funds:

Bank fees.....	477,300
Boiler fee revenue .....	321,000
Construction code fund.....	925,900
Consumer finance fees .....	194,200
Corporation fees.....	1,760,900
Credit union fees.....	269,300
Elevator fees .....	254,400
Fees and collections/asbestos .....	11,000
Fire service fees .....	510,000
Insurance regulatory fees .....	697,200
Licensing and regulation fees.....	1,143,900
Liquor purchase revolving fund.....	4,414,700
Manufactured housing commission fees.....	72,400
Michigan state housing development authority fees and charges .....	1,997,000
Motor carrier fees.....	115,900
Public utility assessments .....	873,100
Safety education and training fund .....	345,600
Second injury fund .....	146,500
Securities fees .....	1,478,900
Self-insurers security fund.....	68,300
Silicosis and dust disease fund .....	59,300
State general fund/general purpose .....	\$ 0

#### **Sec. 115. WORKFORCE DEVELOPMENT**

Full-time equated classified positions.....	903.5
Employment services—246.0 FTE positions.....	\$ 47,821,400
Jobs education training pilot—31.0 FTE positions .....	12,278,800
Labor market information—52.0 FTE positions.....	6,184,800
Michigan rehabilitation services—513.5 FTE positions .....	68,875,900
Office of workforce development—61.0 FTE positions .....	30,796,200
GROSS APPROPRIATION.....	\$ 165,957,100

Appropriated from:

Interdepartmental grant revenues:

IDG from department of human services .....	12,278,800
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Federal revenues:

DAG, employment and training .....	178,700
DED-OPSE, multiple grants .....	1,185,700
DED-OSERS, centers for independent living.....	58,200
DED-OSERS, rehabilitation long-term training .....	316,900
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants.....	51,774,100
DED-OSERS, state grants for technical related assistance .....	56,000

		For Fiscal Year Ending Sept. 30, 2007
DED, Perkins act.....	\$	281,300
DOL-ETA, workforce investment act .....		7,334,100
DOL, federal funds.....		65,513,300
DOL, ODEP.....		225,000
HHS-SSA, supplemental security income.....		3,633,000
HHS, temporary assistance for needy families.....		3,320,200
Special revenue funds:		
Private - gifts, bequests, and donations .....		816,000
Local revenue.....		4,206,400
Local vocational rehabilitation match .....		3,054,000
Contingent fund, penalty and interest account .....		1,781,800
Rehabilitation services fees .....		1,309,700
Second injury fund .....		51,500
Student fees.....		308,000
Training materials fees.....		256,400
State general fund/general purpose .....	\$	8,018,000

#### **Sec. 116. CAREER EDUCATION PROGRAMS**

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

#### **Sec. 117. DEPARTMENT GRANTS**

Adult basic education.....	\$	20,000,000
Carl D. Perkins grants.....		47,500,000
Focus: HOPE.....		5,860,200
Gear-up program grants.....		3,000,000
Job training programs subgrantees .....		118,952,700
Personal assistance services .....		459,500
Vocational rehabilitation client services/facilities.....		55,549,500
Vocational rehabilitation independent living.....		3,079,700
Welfare-to-work programs.....		113,798,600
Fire protection grants .....		10,910,500
Low-income energy efficiency assistance.....		60,000,000
Liquor law enforcement grants.....		6,000,000
Remonumentation grants.....		14,000,000
GROSS APPROPRIATION.....	\$	459,110,700
Appropriated from:		
Federal revenues:		
DAG, employment and training .....		13,000,000
DED-OESE, gear-up .....		3,000,000
DED-OSERS, centers for independent living.....		450,200
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants .....		35,797,900
DED-OSERS, rehabilitation services facilities.....		2,272,500
DED-OSERS, supported employment .....		1,541,300
DED-OSERS, state grants for technical related assistance .....		2,240,800
DED-OVAE, adult education.....		20,000,000
DED-OVAE, basic grants to states .....		47,500,000

		For Fiscal Year Ending Sept. 30, 2007
DOL-ETA, workforce investment act .....	\$	119,602,700
HHS, temporary assistance for needy families.....		82,299,000
HHS-SSA, supplemental security income.....		3,480,600
Special revenue funds:		
Private - gifts, bequests, and donations .....		400,000
Local vocational rehabilitation match .....		6,630,500
Local vocational rehabilitation facilities match .....		1,278,300
Contingent fund, penalty and interest account .....		1,000,000
Low-income energy efficiency fund.....		60,000,000
Fire protection fund.....		3,500,000
Liquor purchase revolving fund.....		3,710,500
Liquor license revenue .....		6,000,000
Remonumentation fees .....		14,000,000
State general fund/general purpose .....	\$	31,406,400

#### **Sec. 118. BOARDS, AUTHORITIES AND COMMISSIONS**

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

## **PART 2**

### **PROVISIONS CONCERNING APPROPRIATIONS**

#### **GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is \$394,506,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is \$51,370,500.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

#### **DEPARTMENT OF LABOR AND ECONOMIC GROWTH**

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

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

Sec. 203. As used in this article:

- (a) "CEO" means chief executive officer of the Michigan economic development corporation.
- (b) "CNS" means the corporation for national services.
- (c) "DAG" means the United States department of agriculture.
- (d) "DED" means the United States department of education.
- (e) "DED-OESE" means the DED office of elementary and secondary education.
- (f) "DED-OPSE" means the DED office of postsecondary education.
- (g) "DED-OSERS" means the DED office of special education rehabilitation services.
- (h) "DED-OVAE" means the DED office of vocational and adult education.
- (i) "Department" means the department of labor and economic growth, including the Michigan strategic fund.
- (j) "Director" means the director of the department of labor and economic growth.
- (k) "DOE" means the United States department of energy.
- (l) "DOE-OEERE" means the DOE office of energy efficiency and renewable energy.
- (m) "DOL" means the United States department of labor.
- (n) "DOL-ETA" means the DOL employment and training administration.
- (o) "DOL-ODEP" means the DOL office of disability employment policy.
- (p) "DOT" means the United States department of transportation.
- (q) "DOT-RSPA" means the DOT research and special programs administration.
- (r) "EEOC" means equal employment opportunity commission.
- (s) "Fiscal agencies" means Michigan house fiscal agency and Michigan senate fiscal agency.
- (t) "FTE" means full-time equated.
- (u) "GED" means general education degree.
- (v) "HHS" means the United States department of health and human services.
- (w) "HHS-SSA" means HHS social security administration.
- (x) "HUD" means the United States department of housing and urban development.
- (y) "HUD-CPD" means HUD community planning and development.
- (z) "IDG" means interdepartmental grant.
- (aa) "MDCH" means the Michigan department of community health.
- (bb) "MDEQ" means the Michigan department of environmental quality.
- (cc) "MES" means Michigan employment security.
- (dd) "SOAHR" means the state office of administrative hearings and rules.
- (ee) "Subcommittees" means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.

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

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

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

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

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

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

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

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

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

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

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

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

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

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
- (d) The travel is necessary to comply with federal requirements.
- (e) The travel is necessary to secure specialized training for staff that is not available within this state.
- (f) The travel is financed entirely by federal or nonstate funds.

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

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

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

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

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

## **REGULATORY**

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

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

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

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

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

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

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



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

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

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

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

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

(a) Corporation and securities division documents, reports, and papers required or permitted by law pursuant to section 1060(5) of the business corporation act, 1972 PA 284, MCL 450.2060.

(b) The subdivision control manual, the state boundary commission operations manual, and other local government assistance manuals.

(c) The Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1101 to 436.2303.

(d) The mobile home commission act, 1987 PA 96, MCL 125.2301 to 125.2349; the business corporation act, 1972 PA 284, MCL 450.1101 to 450.2098; the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192; and the uniform securities act, 1964 PA 265, MCL 451.501 to 451.818.

(e) Labor law books.

(f) Worker's compensation health care services rules.

(g) Construction code manuals.

(h) Copies of transcripts from administrative law hearings.

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

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

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

(3) As used in this section, a professional employer organization is defined as an organization that provides the management and administration of the human resources and employer risk of another entity by contractually assuming

substantial employer rights, responsibilities, and risk through a professional employer agreement that establishes an employer relationship with the leased officers or employees assigned to the other entity by doing all of the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 355. (1) Of the funds appropriated in part 1, no funds shall be used to support the development of, staffing of, or activities promoting the development of guidelines, rules, standards, protocols, or other similar mandates that are more stringent than federal voluntary ergonomics guidelines. This section does not prohibit any person from adopting, or working with the state to develop, voluntary ergonomics standards.

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

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

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

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

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

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

Sec. 364. The department shall provide a report to the chairs of the appropriations subcommittees on labor and economic growth by January 1 on the total administrative costs allocated for the broadband development authority. These costs should include all staffing and other related costs associated with contracts. The report shall also include any payments to date for reimbursement to the Michigan state housing development authority. If no payments have been made, then the report shall include a detailed plan outlining the reimbursement schedule.

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

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

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

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

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

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

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

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

## **WORKFORCE AND CAREER DEVELOPMENT**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (b) The number of participants in each service delivery area and all of the following:
  - (i) The number of clients placed in employment for at least 6 consecutive months in each service delivery area.
  - (ii) The number of clients obtaining a postsecondary education in each service delivery area.
  - (iii) The number of clients placed in community service in each service delivery area.
  - (iv) The number of clients obtaining other education and training credentials.

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

(12) The work participation requirement is up to 40 hours per week. However, work first participants may meet the work participation requirement by participating in comprehensive basic skills education for the minimum time determined by the assessment and evaluation provided in subsection (8). A combination of basic skills training, occupational training, and community service up to the maximum determined by the assessment and evaluation provided in subsection (8) may be used to satisfy the work participation requirements. Training/education and community service may last up to 36 months and the calculated hours may include actual classroom seat time up to 15 hours per week plus up to 1 hour of study time for each hour of classroom seat time. Work first participants may enroll in additional hours of classroom seat time beyond 15 hours. However, these hours and the related study time will not count toward the work participation requirement. Assistance may be provided for up to 24 months.

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

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

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

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

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

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

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

- (a) The number and percentage employed.
- (b) The average hourly wage of those employed.
- (c) The current hourly wage of those employed.
- (d) The range of wages earned by those employed.
- (e) The number of individuals that earned each wage amount.

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

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

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

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

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

(4) The department shall require that each Michigan works! service center shall have posted in a conspicuous place within the office a notice advising veterans that a disabled veterans outreach program specialist or a local veterans employment representative is available to assist him or her.

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

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

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

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

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

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

- (a) The number of participants receiving support under the program.

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

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

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

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

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

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

- (a) Detailed expenditures for administration including salaries and wages of employees.
  - (b) Amount allocated for education and training programs including number of students served by each program.
  - (c) Amount allocated for job search assistance and career planning including the number of students served by each program.
  - (d) Detailed expenditures for any contracts entered into with the use of these funds.
  - (e) Detailed expenditures for any program enhancements including number of new hires and capital expenditures.
- (2) The report shall be submitted on or before January 31.

## ARTICLE 13

### MICHIGAN STRATEGIC FUND

#### PART 1

#### LINE-ITEM APPROPRIATIONS

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

#### **MICHIGAN STRATEGIC FUND**

##### **APPROPRIATION SUMMARY:**

Full-time equated classified positions .....	152.0		
GROSS APPROPRIATION .....		\$	80,479,800
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers .....			78,600
ADJUSTED GROSS APPROPRIATION .....		\$	80,401,200
Federal revenues:			
Total federal revenues .....			47,687,000



Special revenue funds:	
Total local revenues .....	\$ 0
Total private revenues.....	700,000
Total local and private revenues.....	700,000
Total other state restricted revenues .....	5,000
State general fund/general purpose .....	\$ 32,009,200

#### **Sec. 102. MICHIGAN STRATEGIC FUND**

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

## **PART 2**

### **PROVISIONS CONCERNING APPROPRIATIONS**

#### **GENERAL SECTIONS**

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

Sec. 202. The appropriations made and expenditures authorized under this article and the departments, commissions, boards, offices, and programs for which appropriations are made under this article are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this article:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **MICHIGAN STRATEGIC FUND**

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

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

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

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

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

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

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

- (a) The name, address, and total number of employees of each business organization whose employees are receiving job training.
- (b) A description of the specific job skills that will be taught.
- (c) A clear statement of the project's scope of activities and number of participants to be involved.
- (d) A commitment to maintain participant records in a form and manner required by the fund.
- (e) A budget which relates to the proposed activities and various program components.
- (8) Priority in the fund's awarding of grants shall be based on the following criteria:
  - (a) Demonstrated need for the type of training offered.
  - (b) Creation and/or retention of high wage and high skilled level jobs.

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

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

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

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

(11) For training delivered to incumbent workers under the business response program, the business receiving the benefit of the training shall provide a minimum of 20% of the program costs in matching funds as necessitated by the program. For training delivered under the manufacturing competitiveness program, the business receiving the benefit of the training shall provide a minimum of 30% of the program costs in matching funds as necessitated by the program.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (a) The freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.
- (b) The open meetings act, 1976 PA 267, MCL 15.261 to 15.275.
- (c) Annual audits of all financial records by the auditor general or his or her designee.
- (d) All reports required by law to be submitted to the legislature.
- (2) If the MEDC is unable for any reason to perform duties under this article, the fund may exercise those duties.

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

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

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

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

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

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

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

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

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

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

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

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

- (a) Land sited for use as, or support for, a gaming facility.
- (b) Land or other facilities owned or operated by a gaming facility.

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

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

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

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

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

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

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

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

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

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

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

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

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

## ARTICLE 14

### MILITARY AND VETERANS AFFAIRS

#### PART 1

#### LINE-ITEM APPROPRIATIONS

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

#### **DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

##### **APPROPRIATION SUMMARY:**

Full-time equated unclassified positions .....	7.0	
Full-time equated classified positions .....	1,015.0	
GROSS APPROPRIATION .....		\$ 122,902,600

Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....	\$	1,664,600
ADJUSTED GROSS APPROPRIATION .....	\$	121,238,000
Federal revenues:		
Total federal revenues .....		51,450,700
Special revenue funds:		
Total local revenues .....		1,253,100
Total private revenues .....		1,441,300
Total other state restricted revenues .....		26,452,700
State general fund/general purpose .....	\$	40,640,200

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

Full-time equated unclassified positions .....	7.0	
Full-time equated classified positions .....	123.0	
Headquarters and armories—82.5 FTE positions .....	\$	10,178,900
Human resources optimization user charge .....		60,900
Unclassified military personnel .....		660,300
Military appeals tribunal .....		900
Michigan emergency volunteers .....		5,000
State active duty .....		85,100
Challenge program—40.5 FTE positions .....		4,583,900
Homeland security .....		1,000,000
Military family relief fund .....		600,000
GROSS APPROPRIATION .....	\$	17,175,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG, community health .....		100,000
IDG, challenge grant .....		253,800
IDG, state police .....		900,000
IDG, human services .....		410,800
Federal revenues:		
DOD-DOA-NGB .....		4,482,800
Special revenue funds:		
Rental fees .....		350,000
Mackinac Bridge authority .....		55,000
Private donations .....		800,100
Military family relief fund .....		600,000
Private - parent pay revenue .....		101,200
Local - school aid fund .....		1,253,100
State general fund/general purpose .....	\$	7,868,200

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

Full-time equated classified positions .....	200.0	
Military training sites and support facilities—200.0 FTE positions .....	\$	20,627,800
Military training sites and support facilities test projects .....		100,000
GROSS APPROPRIATION .....	\$	20,727,800
Appropriated from:		
Federal revenues:		
DOD-DOA-NGB .....		18,011,000
Special revenue funds:		
Test project fees .....		100,000
State general fund/general purpose .....	\$	2,616,800

**Sec. 104. DEPARTMENTWIDE APPROPRIATIONS (SAFETY)**

Departmentwide accounts .....	\$	1,660,100
Special maintenance - state .....		151,200
Special maintenance - federal .....		5,300,000
Military retirement .....		2,973,800



		For Fiscal Year Ending Sept. 30, 2007
Counternarcotic operations.....	\$	50,000
Starbase grant.....		900,000
GROSS APPROPRIATION.....	\$	11,035,100
Appropriated from:		
Federal revenues:		
DOD-DOA-NGB.....		7,466,100
Federal counternarcotic revenues.....		50,000
State general fund/general purpose .....	\$	3,519,000
<b>Sec. 105. VETERANS SERVICE ORGANIZATIONS (VULNERABLE)</b>		
American legion .....	\$	886,000
Disabled American veterans.....		732,400
Marine corps league .....		336,300
American veterans of World War II and Korea.....		464,800
Veterans of foreign wars.....		886,000
Michigan paralyzed veterans of America.....		165,700
Purple heart.....		157,900
Veterans of World War I .....		100
Polish legion of American veterans.....		41,200
Jewish veterans of America.....		41,200
State of Michigan council - Vietnam veterans of America.....		159,500
Catholic war veterans.....		41,200
GROSS APPROPRIATION.....	\$	3,912,300
Appropriated from:		
State general fund/general purpose .....	\$	3,912,300
<b>Sec. 106. GRAND RAPIDS VETERANS' HOME (HEALTH)</b>		
Full-time equated classified positions.....	517.0	
Grand Rapids veterans' home—517.0 FTE positions .....	\$	47,479,300
Board of managers .....		665,000
GROSS APPROPRIATION.....	\$	48,144,300
Appropriated from:		
Federal revenues:		
DVA-VHA .....		14,836,400
HHS-Medicaid .....		398,500
HHS-Medicare.....		783,300
Special revenue funds:		
Private - veterans' home post and posthumous funds .....		415,000
Income and assessments .....		14,806,400
Military family relief fund.....		250,000
Lease revenue .....		35,000
State general fund/general purpose .....	\$	16,619,700
<b>Sec. 107. D.J. JACOBETTI VETERANS' HOME (HEALTH)</b>		
Full-time equated classified positions.....	159.0	
D.J. Jacobetti veterans' home—159.0 FTE positions .....	\$	15,215,600
Board of managers .....		275,000
GROSS APPROPRIATION.....	\$	15,490,600
Appropriated from:		
Federal revenues:		
DVA-VHA .....		4,512,300
HHS-Medicare.....		388,700
HHS-Medicaid .....		92,900
Special revenue funds:		
Private - veterans' home post and posthumous funds .....		125,000
Military family relief fund.....		150,000
Income and assessments .....		4,840,400
State general fund/general purpose .....	\$	5,381,300

**Sec. 108. VETERANS' AFFAIRS DIRECTORATE (VULNERABLE)**

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

**Sec. 109. INFORMATION TECHNOLOGY (SAFETY)**

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

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is \$67,092,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is \$120,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS  
MILITARY TRAINING SITES AND SUPPORT FACILITIES

Payments in lieu of taxes .....	\$	70,000
MICHIGAN VETERANS' TRUST FUND		
County counselor travel expenses.....	\$	50,000
TOTAL .....	\$	120,000

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

Sec. 203. As used in this article:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 221. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. These user fees shall be subject to provisions of an interagency agreement between the departments and agencies and the department of information technology.

Sec. 223. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 225. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2007 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

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

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

## **HEADQUARTERS AND ARMORIES**

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

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

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

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

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

## **VETERANS SERVICE ORGANIZATIONS**

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

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

(a) Be congressionally chartered by the United States congress.

(b) Be an active participating member of the Michigan veterans organizations' rehabilitation and veterans service committee and abide by its rules, guidelines, and programs.

(c) Demonstrate the receipt of monetary or service support from its own organization.

(d) Comply with the department's and the legislature's requirements of accounting audits, service work activity, accounting of recoveries, listing of volunteer hours, budget requests, and other requirements specified in subsection (3).

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

(3) A veterans service organization receiving a grant from the money appropriated in part 1 shall file with the department an accounting of its expenditures, audited and certified by a certified public accountant, within 120 days after the organization's fiscal year end. Each organization shall provide a detailed budget request for the fiscal year ending September 30, 2008 to the department by November 15, 2006. Each veterans service organization shall provide 5 copies of a listing of all service activity, an accounting of recoveries, and a listing of volunteer hours for the fiscal year ending September 30, 2006 to the department by January 31, 2007. The listing of volunteer hours shall include the hours, services, and donations provided to residents of the Grand Rapids veterans' home and the D.J. Jacobetti veterans'

home. Each veterans service organization shall provide a copy of the most recent and completed internal revenue service form 990 to the department at the end of the fiscal year ending September 30, 2006. A veterans service organization receiving a grant from the money appropriated in part 1 shall use the forms recommended by the Michigan veterans organizations rehabilitation and veterans service committee for filing reports required by this article. The department shall forward information required under this section to the senate and house fiscal agencies, the senate and house of representatives appropriations subcommittees on military affairs, and the state budget office.

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

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

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

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

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

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

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

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

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

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

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

## **VETERANS' HOMES**

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

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

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

## **VETERANS' TRUST FUND**

Sec. 703. By April 1, 2007, the department shall submit to the senate and house of representatives appropriations subcommittees on military affairs and the state budget office a detailed annual report of the Michigan veterans' trust fund for fiscal year 2005-2006. The report shall include information on grants provided from the emergency grant program, including details concerning the methodology of allocations, the selection of emergency grant program authorized agents, and a detailed breakdown of trust fund expenditures for that year. The report shall also provide an update on the department's efforts to reduce program administrative costs and restore the Michigan veterans trust fund corpus to its original amount of \$50,000,000.00.

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

## **ARTICLE 17**

### **STATE POLICE**

#### **PART 1**

#### **LINE-ITEM APPROPRIATIONS**

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

#### **DEPARTMENT OF STATE POLICE**

##### **APPROPRIATION SUMMARY:**

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

#### **Sec. 102. EXECUTIVE DIRECTION**

Full-time equated unclassified positions .....	3.0	
Full-time equated classified positions .....	39.0	
Unclassified positions .....		\$ 238,300
Executive direction—34.0 FTE positions .....		3,720,400
Auto theft prevention program—5.0 FTE positions .....		10,729,400
GROSS APPROPRIATION .....		\$ 14,688,100
Appropriated from:		
Special revenue funds:		
Auto theft prevention fund .....		10,729,400
State general fund/general purpose .....		\$ 3,958,700

#### **Sec. 103. DEPARTMENTWIDE APPROPRIATIONS**

Special maintenance and utilities .....	\$ 447,600
Rent and building occupancy charges .....	9,039,600

		For Fiscal Year Ending Sept. 30, 2007
Worker's compensation.....	\$	2,917,000
Fleet leasing .....		13,919,200
In-service training.....		850,000
Narcotics investigation funds.....		265,000
GROSS APPROPRIATION.....	\$	27,438,400
Appropriated from:		
Interdepartmental grant revenues:		
IDG, training academy charges .....		255,200
IDT, Michigan justice training fund.....		850,000
Federal revenues:		
Federal narcotics investigation revenues .....		95,000
DOT.....		22,700
DHS.....		10,400
Special revenue funds:		
Forensic science reimbursement fee .....		90,600
Narcotics investigation revenues.....		170,000
State forensic laboratory fund.....		90,600
Criminal justice information center service fees .....		179,500
Secondary road patrol and training fund .....		2,900
Hazardous materials training center fees .....		73,500
Michigan justice training fund.....		5,800
Motor carrier fees.....		6,700
Highway safety fund.....		7,200
Traffic law enforcement and safety fund .....		14,200
State general fund/general purpose .....	\$	25,564,100
<b>Sec. 104. SUPPORT SERVICES</b>		
Full-time equated classified positions.....	208.0	
Human resources—26.0 FTE positions .....	\$	2,254,800
Human resources optimization user charges.....		173,600
Management services—112.0 FTE positions.....		11,910,800
Training administration—37.0 FTE positions .....		5,638,800
Communications—8.0 FTE positions.....		3,171,500
Budget and financial services—25.0 FTE positions .....		2,180,600
GROSS APPROPRIATION.....	\$	25,330,100
Appropriated from:		
Interdepartmental grant revenues:		
IDT, auto theft funds .....		25,800
IDG, training academy charges .....		3,121,100
IDT, truck safety fund.....		4,900
IDG-MDOT, state trunkline fund .....		34,600
IDG-MDTR, casino gaming fees .....		33,400
IDG-MDTR, emergency telephone fund coordinator.....		411,200
IDG-MDTR, emergency telephone fund operations .....		411,200
IDG-MDOC, contract.....		1,039,600
Federal revenues:		
DOT.....		205,600
Special revenue funds:		
Local - LEIN fees .....		248,900
Highway safety fund.....		137,700
Auto theft prevention fund.....		4,900
Nuclear plant emergency planning reimbursement .....		3,400
Precision driving track fees.....		287,100
Criminal justice information center service fees .....		411,900
Traffic law enforcement and safety fund .....		237,800
Reimbursed services .....		1,326,800
Forensic science reimbursement fees .....		30,200
Motor carrier fees.....		170,100
State general fund/general purpose .....	\$	17,183,900



**Sec. 105. HIGHWAY SAFETY PLANNING**

Full-time equated classified positions.....	26.0	
State program planning and administration—14.0 FTE positions .....	\$	1,227,200
Grants to local governments and nonprofit organizations .....		4,500,000
Secondary road patrol program—2.0 FTE positions .....		14,024,700
Truck safety program—2.0 FTE positions .....		2,996,300
Highway traffic safety coordination—8.0 FTE positions .....		6,089,800
GROSS APPROPRIATION .....	\$	28,838,000
Appropriated from:		
Federal revenues:		
DOT .....		10,707,300
DOJ .....		573,200
Special revenue funds:		
Truck driver safety fund .....		2,996,300
Secondary road patrol and training fund .....		14,024,700
State general fund/general purpose .....	\$	536,500

**Sec. 106. CRIMINAL JUSTICE INFORMATION CENTER**

Full-time equated classified positions.....	94.0	
Criminal justice information center division—77.0 FTE positions .....	\$	10,679,600
Criminal records improvement—1.0 FTE position .....		4,745,600
Traffic safety—16.0 FTE positions .....		2,781,400
GROSS APPROPRIATION .....	\$	18,206,600
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDOS .....		320,900
IDG-MDOT, state trunkline fund .....		467,400
Federal revenues:		
DOJ .....		4,745,600
DOT .....		1,436,600
Special revenue funds:		
Traffic crash revenue .....		76,400
Sex offender registration fund .....		264,000
Criminal justice information center service fees .....		9,933,900
State general fund/general purpose .....	\$	961,800

**Sec. 107. FORENSIC SCIENCES**

Full-time equated classified positions.....	220.0	
Laboratory operations—180.0 FTE positions .....	\$	19,384,700
DNA analysis program—40.0 FTE positions .....		8,836,900
GROSS APPROPRIATION .....	\$	28,221,600
Appropriated from:		
Federal revenues:		
DOJ .....		3,966,100
Special revenue funds:		
Forensic science reimbursement fees .....		2,258,800
State forensic laboratory fund .....		1,766,300
State general fund/general purpose .....	\$	20,230,400

**Sec. 108. MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS**

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

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

#### **Sec. 109. EMERGENCY MANAGEMENT**

Full-time equated classified positions.....	72.0	
Emergency management planning and administration—55.0 FTE positions .....		\$ 4,614,900
Grants to local government .....		2,482,100
FEMA program assistance—3.0 FTE positions .....		1,012,100
Nuclear power plant emergency planning—6.0 FTE positions .....		1,288,900
Hazardous materials transportation—1.0 FTE position .....		583,800
Hazardous materials programs—7.0 FTE positions .....		121,753,200
GROSS APPROPRIATION.....		<u>\$ 131,735,000</u>

Appropriated from:	
Federal revenues:	
DOT .....	583,800
DHS.....	126,395,800
Special revenue funds:	
Nuclear plant emergency planning reimbursement .....	1,288,900
Hazardous materials training center fees .....	1,389,200
State general fund/general purpose .....	\$ 2,077,300

#### **Sec. 110. POST UNIFORM SERVICES**

Full-time equated classified positions .....	1,580.0	
Uniform services—424.0 FTE positions .....		\$ 43,430,000
Security guards—15.0 FTE positions .....		1,054,700
Reimbursed services .....		1,628,000
At-post troopers—1,141.0 FTE positions .....		131,402,300
GROSS APPROPRIATION .....		<u>\$ 177,515,000</u>

Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDMB, building occupancy charges .....	648,400
Federal revenues:	
DOJ.....	723,300
Special revenue funds:	
Highway safety fund .....	15,451,400
Traffic law enforcement and safety fund .....	37,803,000
State police service fees .....	1,628,000
State general fund/general purpose .....	\$ 121,260,900

#### **Sec. 111. STATEWIDE FIELD OPERATIONS**

Full-time equated classified positions.....	49.0		
Operational support—34.0 FTE positions.....		\$	3,178,600
Traffic services—10.0 FTE positions.....			3,741,000
Aviation program—5.0 FTE positions.....			1,143,100
GROSS APPROPRIATION.....		\$	<u>8,062,700</u>

Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDOC, contract .....	93,000
Federal revenues:	
DOT.....	1,760,100

Special revenue funds:	
Private donations.....	\$ 80,300
Rental of department aircraft .....	175,900
Drunk driving prevention and training fund.....	1,265,000
State general fund/general purpose .....	\$ 4,688,400

#### Sec. 112. SPECIAL INVESTIGATIONS

Full-time equated classified positions.....	370.0	
Criminal investigations—254.0 FTE positions.....		\$ 32,144,300
Federal antidrug initiatives—62.0 FTE positions.....		11,157,800
Reimbursed services, materials, and equipment .....		2,613,600
Auto theft prevention—9.0 FTE positions .....		1,595,900
Casino gaming oversight—32.0 FTE positions.....		4,184,200
Fire investigation—13.0 FTE positions .....		1,385,000
Fire investigation training to locals .....		50,000
GROSS APPROPRIATION.....		<u>\$ 53,130,800</u>

##### Appropriated from:

##### Interdepartmental grant revenues:

IDT, auto theft funds .....	1,299,800
IDG-MDTR, casino gaming fees .....	4,184,200
IDG-MDCH, tobacco tax.....	610,000

##### Federal revenues:

Federal investigations - reimbursed services .....	742,700
DOJ.....	8,314,700
Federal narcotics investigation revenues .....	443,200

##### Special revenue funds:

Local - reimbursed services.....	1,870,900
Narcotics investigation revenues.....	648,800
Forfeiture funds.....	450,400
State general fund/general purpose .....	\$ 34,566,100

#### Sec. 113. MOTOR CARRIER ENFORCEMENT

Full-time equated classified positions .....	214.0	
Motor carrier enforcement—106.0 FTE positions.....		\$ 10,097,700
Truck safety enforcement team operations—10.0 FTE positions .....		1,284,900
Safety inspections—64.0 FTE positions .....		7,900,800
School bus inspections—16.0 FTE positions.....		1,340,000
Safety projects—18.0 FTE positions .....		2,044,500
GROSS APPROPRIATION.....		<u>\$ 22,667,900</u>

##### Appropriated from:

##### Interdepartmental grant revenues:

IDT, truck safety fund.....	1,284,900
IDG-MDOT, state trunkline fund .....	7,430,900

##### Federal revenues:

DOT.....	8,365,200
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##### Special revenue funds:

Local - school bus revenue.....	1,340,000
Motor carrier fees.....	4,246,900
State general fund/general purpose .....	\$ 0

#### Sec. 114. INFORMATION TECHNOLOGY

Information technology services and projects.....	\$ 21,035,700
GROSS APPROPRIATION.....	\$ 21,035,700

##### Appropriated from:

##### Interdepartmental grant revenues:

IDG-MDTR, casino gaming fees .....	81,800
IDG-MDOT, state trunkline fund .....	34,100

##### Federal revenues:

DOT.....	33,100
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Special revenue funds:		
Local - LEIN fees .....	\$	3,591,400
Local - AFIS fees .....		37,700
Local - MPSCS subscriber fees.....		1,000,000
Motor carrier fees.....		16,100
State general fund/general purpose .....	\$	16,241,500

## PART 2

### PROVISIONS CONCERNING APPROPRIATIONS

#### **GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is \$369,171,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is \$19,899,200.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

#### DEPARTMENT OF STATE POLICE

##### OFFICE OF HIGHWAY SAFETY PLANNING

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

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

#### SPECIAL INVESTIGATIONS

Fire investigation training for locals.....		50,000
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#### SUPPORT SERVICES

Communications .....	\$	411,200
Total .....	\$	19,899,200

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

Sec. 203. As used in this article:

- (a) "AFIS" means the automated fingerprint identification system.
- (b) "Department" means the department of state police.
- (c) "DHS" means the United States department of homeland security.
- (d) "DNA" means deoxyribonucleic acid.
- (e) "DOJ" means the United States department of justice.
- (f) "DOT" means the United States department of transportation.
- (g) "FEMA" means the federal emergency management agency.
- (h) "FTE" means full-time equated.
- (i) "IDG" means interdepartmental grant.
- (j) "IDT" means intradepartmental transfer.
- (k) "LEIN" means law enforcement information network.
- (l) "MCOLES" means the Michigan commission on law enforcement standards.
- (m) "MDCH" means the Michigan department of community health.
- (n) "MDMB" means the Michigan department of management and budget.
- (o) "MDOC" means the Michigan department of corrections.
- (p) "MDOS" means the Michigan department of state.
- (q) "MDOT" means the Michigan department of transportation.
- (r) "MDTR" means the Michigan department of treasury.

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

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

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

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

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

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

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

Sec. 211. It is the intent of the legislature that personnel of the department who request and are eligible for reimbursement of expenses related to the operation of the department be reimbursed from the appropriations provided in this article within 30 days after submitting a request, or the eligible personnel shall be paid an additional amount equal to 0.75% of the payment due. The department shall pay an additional amount equal to 0.75% of the payment due for the first month and each succeeding month or portion of a month the payment remains past due.

Sec. 213. (1) It is the intent of the legislature that the department shall not provide any subsidy for contractual services it provides.

(2) When the department provides contractual services to a local unit of government, the department shall be reimbursed for all costs incurred in providing the services, including, but not limited to, retirement and overtime costs.

(3) Contractual services provided to an entity other than a local unit of government may be provided by department personnel, but only on an overtime basis outside the normal work schedule of the personnel.

(4) This section does not apply to state agencies.

Sec. 214. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow all federal guidelines and state laws regarding short-term and long-term retention of records.

Sec. 215. Not later than January 1, 2007, the department shall report to the state police appropriations subcommittees of the house and senate and the house and senate fiscal agencies. The report shall contain the following information regarding the department's activities related to casino gaming oversight during fiscal year 2005-2006:

- (a) The amount of money received and expended.
- (b) The nature and structure of the casino gaming oversight unit.
- (c) The positions and classifications of employees assigned.

- (d) The number of full-time and part-time employees and the aggregate number of FTEs.
- (e) The number of enlisted and civilian positions.
- (f) The duties and responsibilities of the assigned employees.
- (g) The immediate past position of the enlisted employees assigned.

Sec. 216. The department shall collect and computerize the vehicle identification number (VIN) of all vehicles that are entered into the state accident data collection system and make this and other vehicle information available to the public at cost. For bulk access to the accident records in which the VIN has been collected and computerized, the department shall make those records available to the public at cost, provided that the name and address have been excluded.

Sec. 217. From the funds appropriated in part 1, the department shall maintain a toll-free hotline in collaboration with the department of education. The toll-free hotline shall be operated 24 hours per day, 7 days per week, and shall provide students, school officials, and other individuals an opportunity to report specific threats of imminent school violence or other suspicious or criminal conduct by juveniles to the appropriate local law enforcement entities for investigation. The department may expend funds for the promotion of the hotline.

Sec. 218. (1) Funds appropriated in part 1 for at-post troopers shall only be expended for trooper salaries, wages, benefits, retirement, equipment, supplies, and other expenses directly related to state troopers assigned to general law enforcement duties at a department post, detachment, satellite office, or a resident trooper function.

(2) From the funds appropriated in part 1 for at-post troopers, a trooper school shall be conducted beginning not later than August 15, 2007 for the purpose of graduating not fewer than 50 new troopers with the goal of maintaining at-post trooper strength of at least 1,075 on September 30, 2007.

(3) The department shall submit quarterly written reports to the senate and house appropriations subcommittees on state police and military and veterans affairs no later than December 1, 2006, March 1, 2007, June 1, 2007, and September 1, 2007 which shall include a trooper strength report and the status of the department's plan for accomplishing the goal of subsection (2). If the department determines that insufficient appropriations exist under part 1 to accomplish the goal of subsection (2), the department shall submit a proposal outlining a plan to accomplish the goal including an accounting of any additional funding necessary to that end.

Sec. 219. The department of state police shall notify the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies not less than 180 days before recommending to close or consolidate any state police posts. The notification shall include a local and state impact study of the proposed post closure or consolidation.

Sec. 220. The department of state police, in keeping with its role as the general law enforcement agency of the state and as the law enforcement agency of last resort for communities that are either without local law enforcement resources or are seriously underserved by local law enforcement resources, shall provide general law enforcement assistance to those communities until adequate law enforcement services can be provided to those communities by other means.

Sec. 221. The department of state police may pursue entering into an agreement with Calhoun County to build a new facility in Marshall which would serve as a new state police post to replace the current state police post in Battle Creek.

Sec. 223. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2007 shall be limited to situations in which 1 or more of the following conditions apply:

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
- (d) The travel is necessary to comply with federal requirements.
- (e) The travel is necessary to secure specialized training for staff that is not available within this state.
- (f) The travel is financed entirely by federal or nonstate funds.

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

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

Sec. 225. It is the intent of the legislature that the administration, working with the MCOLES, continue the long-held practice that all revenue made available to the department from the Michigan justice training fund be used solely for costs directly related to the delivery of Michigan justice training fund grants, so that in the future, eligible entities as provided under 1982 PA 302, MCL 18.421 to 18.429, will have a stable and accurate source of training funds.

Sec. 226. The department of state police, in cooperation with the department of information technology and others, shall take steps to encourage the development of state, local, and regional tactical interoperable communication plans with the ultimate goal being to ensure that effective and efficient communication interoperability between radio communication systems of local, regional, state, and federal agencies is established in every area of the state. The department shall provide a written report to the senate and house appropriations subcommittees on state police and military and veterans affairs no later than April 1, 2007 on the current status of reaching this objective. The report shall include an accounting of exactly where within the state desired interoperability has been achieved and what cooperative measures and use of technology were used to achieve this interoperability, and which areas of the state have not yet achieved such status. The report shall also include a description of what strategies need to be employed to ensure that the remaining areas of the state, and the state as a whole, will have a communication system with efficient and effective interoperability, particularly on occasions when a multijurisdictional response to an emergency is warranted.

Sec. 227. (1) From the funds appropriated in part 1, the department of state police is prohibited from transporting employees of institutions of higher education on state-owned aircraft.

(2) From the funds appropriated in part 1, the department is prohibited from transporting legislators or legislative staff on state-owned aircraft without prior approval from the senate majority leader or the speaker of the house of representatives, or both.

(3) From the funds appropriated in part 1, the department is prohibited from transporting local government employees on state-owned aircraft.

(4) It is the intent of the legislature that state elected officials use commercial or other private air service, unless air travel on state-owned aircraft is part of official state business.

(5) This section shall not apply to transportation that is related to law enforcement or homeland security activities.

Sec. 229. From the unexpended and unencumbered balance of the appropriation for the department contained in 2005 PA 159, it is the intent of the legislature that funds may be used in support of the state police retirement system for retirees who accrued overtime from 1957 through 1963. The funds shall be available for appropriation in the fiscal year ending September 30, 2007.

Sec. 230. From the unexpended and unencumbered balance of the appropriation for the department contained in 2005 PA 159, over and above that which is necessary to fulfill the objectives of section 229, shall be used toward the establishment of a trooper school. The funds shall be available for appropriation in the fiscal year ending September 30, 2007.

Sec. 232. The department shall place emphasis on recruiting MCOLES certified police officers for the trooper recruit school. Emphasis shall be given in the hiring process to those officers who are on layoff and possess valid MCOLES certification. Any emphasis given in the recruiting and selection process shall be consistent with the department's hiring

standards and in accordance with civil service rules. The department shall report to the chairpersons of the senate and house of representatives standing committees on appropriations the results of its recruitment and selection process, including the actual number of certified officers selected for the recruit school by September 30, 2007.

### **INFORMATION TECHNOLOGY**

Sec. 301. The money appropriated in part 1 for computer services shall be funded by LEIN user fees sufficient to pay 1/3 of the service and contract maintenance costs of the LEIN system.

Sec. 302. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. These user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 303. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 304. A portion of the funds appropriated in part 1 shall be used by the department to produce a written report detailing departmental policies regarding access to and use of information from the LEIN system. The report shall include a description of departmental measures to protect the security of information in the LEIN system including safeguards that would prevent unauthorized persons from obtaining information from the LEIN system. The department shall submit a copy of this report to the senate and house appropriations committees not later than April 1, 2007.

Sec. 305. The criminal justice information systems policy council shall encourage members of the law enforcement agencies in the state to be sensitive to, and note when necessary, activities or circumstances that may suggest the unauthorized access or misuse of information from the LEIN system. The criminal justice information systems policy council shall advise LEIN auditors, as a part of their audit of law enforcement agencies, to investigate in depth all suspected incidents of improper access or improper use of information from the LEIN system and determine whether or not those incidents were illegal. In those incidents that may be determined to be illegal, the executive secretary for the council shall determine whether those incidents were of a negligent or criminal nature. If an incident is determined to be an illegal act, the council shall inform the chairs of both the senate and house appropriations committees.

Sec. 306. (1) The department of state police, working with the criminal justice information systems policy council, shall implement procedures by which all probation information is placed on the LEIN system. The LEIN system shall include information on each probationer, including any probation conditions placed on a probationer and the name of the probation officer assigned to a probationer. The LEIN system shall also include any nonstandard probation terms.

(2) If the department determines that amendments to the code of criminal procedure, 1927 PA 175, MCL 760.1 to 777.69, are required to include all probation information on the LEIN system, the department shall deliver to members of the senate and house appropriations subcommittees on state police and military affairs amendments to the code of criminal procedure, 1927 PA 175, MCL 760.1 to 777.69, that, in the department's view, are necessary to accomplish this goal. These proposed amendments shall be delivered to subcommittee members not later than December 1, 2006.

Sec. 307. The department of state police shall serve as an active liaison between the department of information technology and local public safety agencies to facilitate the use of the Michigan public safety communications system towers by those local public safety agencies that have an interest in using the towers as a part of their own communications system. The department of state police shall deliver a written report to the senate and house appropriations subcommittees on state police and military and veterans affairs by April 1, 2007, which shall include an assessment of the progress toward establishing local public safety agency use of the Michigan public safety communications system towers, an accounting of problems that may be preventing local use of the towers, and any recommendations the department has that may foster this utilization.

Sec. 308. The department of state police shall report any LEIN fee increase to the senate and house appropriations subcommittees on state police and military and veterans affairs 60 days prior to the effective date of that increase. The report shall contain the following information: the current fee structure and the total revenue earned each year; the new fee structure and the total revenue it is expected to earn annually; the total annual cost of the LEIN system; and the total amount of LEIN fees paid by the department under both the old and the new structure.



## **HIGHWAY SAFETY PLANNING**

Sec. 401. On a quarterly basis, the department shall report to the senate and house appropriations subcommittees on state police and military affairs on the status of assessments collected and authorized under section 629e of the Michigan vehicle code, 1949 PA 300, MCL 257.629e, for the purposes of supporting the secondary road patrol grant program. Each quarterly report shall contain updated information on collection levels, revised projected grant allotments to counties for the year, a comparison of projected collections and grant distribution levels with the funds appropriated in part 1 for the secondary road patrol program, and the extent collection levels have exceeded or failed to meet appropriated levels for the current fiscal year or expenditure levels from the previous fiscal year.

## **FORENSIC SCIENCES**

Sec. 501. (1) The department shall distribute a copy of the department's protocol for retaining and purging DNA analysis samples and records to each police agency in this state.

(2) The department shall report to the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies when any changes to the department's DNA protocol are made.

Sec. 502. The department shall work with the department of community health, the Michigan health and hospital association, the Michigan state medical society, and the Michigan nurses association to ensure that the recommendations included in the "Standard Recommended Procedures for the Emergency Treatment of Sexual Assault Victims" are followed in the collection of evidence.

## **MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS**

Sec. 601. The money appropriated to the MCOLES for maintenance and delivery of training to locals is provided in accordance with a state reimbursement policy in which 100% of the determined state reimbursement rate shall be distributed upon certification by the MCOLES.

Sec. 602. From the appropriations in part 1 for the training of new state troopers and other new police officers in the state and for the continuing education of all law enforcement officers in the state, sufficient funds shall be used to include curricula on the content and application of federal firearms laws, including the procedures necessary for law enforcement to turn appropriate cases over to the federal bureau of alcohol, tobacco, and firearms or any other applicable federal criminal justice agency.

## **EMERGENCY MANAGEMENT**

Sec. 801. (1) The state director of emergency management may expend money appropriated under this article to call upon any agency or department of the state or any resource of the state to protect life or property or to provide for the health or safety of the population in any area of the state in which the governor proclaims a state of emergency or state of disaster under 1945 PA 302, MCL 10.31 to 10.33, or under the emergency management act, 1976 PA 390, MCL 30.401 to 30.421. The state director of emergency management may expend the amounts the director considers necessary to accomplish these purposes. The director shall submit to the state budget director as soon as possible a complete report of all actions taken under the authority of this section. The report shall contain, as a separate item, a statement of all money expended that is not reimbursable from federal money. The state budget director shall review the expenditures and submit recommendations to the legislature in regard to any possible need for a supplemental appropriation.

(2) In addition to the money appropriated in this article, the department may receive and expend money from local, private, federal, or state sources for the purpose of providing emergency management training to local or private interests and for the purpose of supporting emergency preparedness, response, recovery, and mitigation activity. If additional expenditure authorization in the Michigan administrative information network is approved by the state budget office under this section, the department and the state budget office shall notify the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies within 10 days after the approval. The notification shall include the amount and source of the additional authorization, the date of its approval, and the projected use of funds to be expended under the authorization.

Sec. 802. The department shall not make any purchases related to a statewide emergency management computer network unless authorized to do so by the director of the department of information technology.

Sec. 803. The department's emergency management division shall make every effort to ensure both of the following:

(a) That homeland security grants offered by the federal government and channeled through the department are allocated to first responder entities in the highest percentage possible.

(b) That homeland security grants awarded to the city of Detroit shall not be used to supplant city general funds designated to support first responder operations.

### **POST UNIFORM SERVICES**

Sec. 901. State police enlisted personnel who are employed to enforce traffic laws as provided in section 629e of the Michigan vehicle code, 1949 PA 300, MCL 257.629e, shall not be prohibited from responding to crimes in progress or other emergency situations, and are responsible for protecting every citizen of this state from harm.

Sec. 902. For the fiscal year ending September 30, 2007, surplus funds of \$8,500,000.00 in the state services fee fund are appropriated to the traffic law enforcement and safety fund.

### **STATEWIDE FIELD OPERATIONS**

Sec. 1001. In addition to the appropriations in part 1 to the department of state police for the aviation program, the department is authorized to sell its aircraft and the proceeds from the sale are appropriated and may be applied to the renovation cost of replacement aircraft, cost of enhancing and maintaining existing aircraft, pilot training cost, and reimbursement for use of other state agency aircraft. If additional expenditure authorization in the Michigan administrative information network is approved by the state budget office under this section, the department and the state budget office shall notify the house and senate appropriations subcommittees on state police and military and veterans affairs and the house and senate fiscal agencies within 10 days after the approval. The notification shall include the amount and source of the additional authorization, the date of its approval, and the projected use of funds to be expended under the authorization.

Sec. 1002. Money privately donated to the department is appropriated under part 1 to be used for the purposes designated by the donor of the money. Money privately donated to the department's canine unit shall be used to purchase equipment and other items to enhance the operation of the canine unit. It is the intent of the legislature that money from private donations not supplant general fund appropriations.

### **SPECIAL INVESTIGATIONS**

Sec. 1101. (1) There is sufficient money appropriated in part 1 to special investigations to ensure that the citizens in a service area of any state police post in the vicinity of a state prison do not experience a downgrading of state police services in their area. Special investigations shall be available by temporary or permanent assignment of a detective when either a temporary or permanent prison facility is opened.

(2) If the department is unable to comply with subsection (1) and there is a prison scheduled to open, the department shall provide troopers to serve as investigators on an interim basis.

Sec. 1102. From the funds appropriated in part 1 for special investigations, the department shall provide a report to the chairpersons of the senate and house of representatives standing committees on appropriations no later than April 1, 2007 concerning methamphetamine-related criminal activities.

### **MOTOR CARRIER ENFORCEMENT**

Sec. 1201. (1) The department shall report to the house and senate appropriations subcommittees on state police and the house and senate fiscal agencies by March 1, 2007 regarding the inspection of school buses and other motor vehicles

under section 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil transportation act, 1990 PA 187, MCL 257.1839. The report shall include the following information regarding inspections conducted in calendar year 2006:

- (a) The number of buses and vehicles inspected by the department.
  - (b) The number of buses and vehicles passing and failing inspection.
  - (c) The estimated number of buses and vehicles not inspected.
- (2) If each school bus within a school system receives a 100% successful state inspection on its first inspection in a given year, the department shall award a certificate to that school system.

## ARTICLE 18 TRANSPORTATION

### PART 1 LINE-ITEM APPROPRIATIONS

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

#### STATE TRANSPORTATION DEPARTMENT

##### APPROPRIATION SUMMARY:

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	3,030.3	
GROSS APPROPRIATION .....		\$ 3,442,167,300
Total interdepartmental grants and intradepartmental transfers .....		0
ADJUSTED GROSS APPROPRIATION .....		\$ 3,442,167,300
Federal revenues:		
DOT, federal transit act .....	60,338,100	
DOT-FHWA, highway research, planning, and construction .....	1,107,898,200	
DOT-FRA, local rail service assistance .....	100,000	
DOT-FRA, rail passenger/HSGT .....	1,000,000	
Total federal revenues .....	1,169,336,300	
Special revenue funds:		
Total local revenues .....	47,500,000	
Total private revenues .....	0	
Total local and private revenues .....	47,500,000	
Michigan transportation fund .....	1,094,650,400	
Local bridge fund .....	33,455,300	
Economic development fund .....	57,315,000	
State trunkline fund .....	743,852,400	
State aeronautics fund .....	14,934,000	
Comprehensive transportation fund .....	260,781,700	
Blue Water Bridge fund .....	17,342,200	
Intercity bus equipment fund .....	1,000,000	
Rail preservation fund .....	2,000,000	
Total other state restricted revenues .....	2,225,331,000	
State general fund/general purpose .....		\$ 0

#### Sec. 102. DEBT SERVICE (MOBILITY)

State trunkline .....	\$ 152,300,400
Economic development .....	15,025,800
Local bridge fund .....	3,000,000
Blue Water Bridge fund .....	2,878,600

		For Fiscal Year Ending Sept. 30, 2007
Airport safety and protection plan .....	\$	5,000,000
Comprehensive transportation .....		29,415,200
GROSS APPROPRIATION .....	\$	207,620,000
Appropriated from:		
Federal revenues:		
DOT-FHWA, highway research, planning, and construction .....		55,000,000
Special revenue funds:		
Comprehensive transportation fund .....		28,807,800
Local bridge fund .....		3,000,000
State trunkline fund .....		97,300,400
Blue Water Bridge fund .....		2,878,600
Economic development fund .....		15,025,800
State aeronautics fund .....		5,607,400
State general fund/general purpose .....	\$	0

**Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY SUPPORT SERVICES (MOBILITY)**

MTF grant to department of environmental quality .....	\$	1,020,800
MTF grant to department of state for collection of revenue and fees .....		20,000,000
MTF grant to legislative auditor general .....		204,300
MTF grant to department of treasury .....		8,801,500
STF grant to department of attorney general .....		2,708,300
STF grant to department of civil service .....		2,700,000
STF grant to department of management and budget .....		1,366,500
STF grant to department of state police .....		7,967,000
STF grant to department of history, arts, and libraries .....		73,500
STF grant to department of treasury .....		212,900
STF grant to legislative auditor general .....		474,600
SAF grant to department of attorney general .....		151,400
SAF grant to department of civil service .....		55,000
SAF grant to department of management and budget .....		38,600
SAF grant to department of history, arts, and libraries .....		2,100
SAF grant to department of treasury .....		74,300
SAF grant to legislative auditor general .....		19,600
CTF grant to department of attorney general .....		153,400
CTF grant to department of civil service .....		95,000
CTF grant to department of management and budget .....		62,400
CTF grant to department of history, arts, and libraries .....		3,400
CTF grant to department of treasury .....		2,400
CTF grant to legislative auditor general .....		25,200
GROSS APPROPRIATION .....	\$	46,212,200
Appropriated from:		
Special revenue funds:		
Comprehensive transportation fund .....		341,800
Michigan transportation fund .....		30,026,600
State aeronautics fund .....		341,000
State trunkline fund .....		15,502,800
State general fund/general purpose .....	\$	0

**Sec. 104. EXECUTIVE DIRECTION (MOBILITY)**

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	31.3	
Unclassified salaries .....		\$ 532,200
Asset management council .....		1,626,400
Commission audit—31.3 FTE positions .....		3,382,900
GROSS APPROPRIATION .....		\$ 5,541,500

Appropriated from:	
Special revenue funds:	
Michigan transportation fund .....	\$ 1,626,400
State trunkline fund .....	3,915,100
State general fund/general purpose .....	\$ 0

**Sec. 105. BUSINESS SUPPORT (MOBILITY)**

Full-time equated classified positions .....	56.5
Business support services—25.5 FTE positions .....	\$ 3,177,100
Property management .....	7,331,500
Human resources—22.0 FTE positions .....	2,487,800
Human resources optimization user charges .....	199,500
Economic development and enhancement programs—9.0 FTE positions .....	1,131,000
Worker's compensation .....	2,136,000
GROSS APPROPRIATION .....	\$ 16,462,900

Appropriated from:	
Special revenue funds:	
Economic development fund .....	485,300
State aeronautics fund .....	886,500
Comprehensive transportation fund .....	1,354,700
Michigan transportation fund .....	175,800
State trunkline fund .....	13,560,600
State general fund/general purpose .....	\$ 0

**Sec. 106. INFORMATION TECHNOLOGY (MOBILITY)**

Information technology services and projects .....	\$ 27,876,500
GROSS APPROPRIATION .....	\$ 27,876,500

Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction .....	1,446,900
Special revenue funds:	
Blue Water Bridge fund .....	47,000
Comprehensive transportation fund .....	234,300
Economic development fund .....	37,100
Michigan transportation fund .....	243,400
State aeronautics fund .....	143,700
State trunkline fund .....	25,724,100
State general fund/general purpose .....	\$ 0

**Sec. 107. FINANCE, CONTRACTS, AND SUPPORT SERVICES (MOBILITY)**

Full-time equated classified positions .....	255.5
Financial operations—79.0 FTE positions .....	\$ 7,638,500
Contract services—34.1 FTE positions .....	3,172,400
Technical and support services—75.4 FTE positions .....	8,645,300
Performance excellence—12.0 FTE positions .....	1,386,100
Welcome center operations—55.0 FTE positions .....	4,709,100
GROSS APPROPRIATION .....	\$ 25,551,400

Appropriated from:	
Special revenue funds:	
Michigan transportation fund .....	1,403,900
State trunkline fund .....	24,147,500
State general fund/general purpose .....	\$ 0

**Sec. 108. TRANSPORTATION PLANNING (MOBILITY)**

Full-time equated classified positions .....	174.0
Statewide planning services—122.0 FTE positions .....	\$ 12,913,200
Data collection services—52.0 FTE positions .....	5,480,700
Specialized planning services and local studies .....	16,798,200
Grants to regional planning councils .....	488,800
GROSS APPROPRIATION .....	\$ 35,680,900

Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction.....	\$ 22,000,000
Special revenue funds:	
State aeronautics fund .....	261,900
Comprehensive transportation fund .....	1,060,300
Michigan transportation fund.....	6,304,500
State trunkline fund.....	6,054,200
State general fund/general purpose .....	\$ 0

**Sec. 109. DESIGN AND ENGINEERING SERVICES (MOBILITY)**

Full-time equated classified positions.....	1,516.4
Engineering services—802.2 FTE positions.....	\$ 55,537,900
Program services—703.7 FTE positions .....	36,996,600
Intelligent transportation systems operations—10.5 FTE positions .....	9,977,600
GROSS APPROPRIATION.....	\$ 102,512,100

Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction.....	15,226,200
Special revenue funds:	
Michigan transportation fund.....	5,331,200
State trunkline fund.....	81,954,700
State general fund/general purpose .....	\$ 0

**Sec. 110. HIGHWAY MAINTENANCE (MOBILITY)**

Full-time equated classified positions.....	825.6
State trunkline operations—825.6 FTE positions .....	\$ 129,341,200
Contract operations.....	145,823,700
GROSS APPROPRIATION.....	\$ 275,164,900

Appropriated from:	
Special revenue funds:	
State trunkline fund.....	275,164,900
State general fund/general purpose .....	\$ 0

**Sec. 111. ROAD AND BRIDGE PROGRAMS (MOBILITY)**

State trunkline federal aid and road and bridge construction .....	\$ 988,064,200
Local federal aid and road and bridge construction.....	259,689,000
Grants to local programs.....	33,000,000
Rail grade crossing.....	3,000,000
Local bridge program .....	30,455,300
County road commissions.....	649,447,500
Cities and villages.....	362,096,000
GROSS APPROPRIATION.....	\$ 2,325,752,000

Appropriated from:	
Federal revenues:	
DOT-FHWA, highway research, planning, and construction.....	1,014,225,100
Special revenue funds:	
Local funds.....	30,000,000
Blue Water Bridge fund .....	3,000,000
Michigan transportation fund.....	1,047,543,500
Local bridge fund.....	30,455,300
State trunkline fund.....	200,528,100
State general fund/general purpose .....	\$ 0

**Sec. 112. BLUE WATER BRIDGE (MOBILITY)**

Full-time equated classified positions.....	41.0
Blue Water Bridge operations—41.0 FTE positions .....	\$ 11,416,600
GROSS APPROPRIATION.....	\$ 11,416,600

Appropriated from:		
Special revenue funds:		
Blue Water Bridge fund .....	\$	11,416,600
State general fund/general purpose .....	\$	0

**Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT (MOBILITY)**

Forest roads .....	\$	5,040,000
Rural county urban system .....		2,500,000
Target industries/economic redevelopment .....		18,863,400
Urban county congestion.....		7,681,700
Rural county primary .....		7,681,700
GROSS APPROPRIATION .....	\$	41,766,800

Appropriated from:		
Special revenue funds:		
Economic development fund .....		41,766,800
State general fund/general purpose .....	\$	0

**Sec. 114. AERONAUTICS SERVICES (MOBILITY)**

Full-time equated classified positions.....	56.0	
Airport improvement services—30.0 FTE positions .....	\$	2,872,800
Aviation services—26.0 FTE positions.....		4,120,700
Air service program.....		700,000
GROSS APPROPRIATION .....	\$	7,693,500

Appropriated from:		
Special revenue funds:		
State aeronautics fund .....		7,693,500
State general fund/general purpose .....	\$	0

**Sec. 115. PUBLIC TRANSPORTATION AND FREIGHT SERVICE (MOBILITY)**

Full-time equated classified positions.....	74.0	
Freight and safety services—36.0 FTE positions .....	\$	4,121,100
Passenger transportation services—38.0 FTE positions .....		4,111,100
GROSS APPROPRIATION .....	\$	8,232,200

Appropriated from:		
Federal revenues:		
DOT, federal transit act .....		738,100
Special revenue funds:		
Comprehensive transportation fund .....		5,499,000
Michigan transportation fund .....		1,995,100
State general fund/general purpose .....	\$	0

**Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING (MOBILITY)**

Local bus operating .....	\$	166,624,000
Nonurban operating/capital .....		18,000,000
GROSS APPROPRIATION .....	\$	184,624,000

Appropriated from:		
Federal revenues:		
DOT, federal transit act .....		16,000,000
Special revenue funds:		
Comprehensive transportation fund .....		166,624,000
Local funds.....		2,000,000
State general fund/general purpose .....	\$	0

**Sec. 117. INTERCITY PASSENGER AND FREIGHT (MOBILITY)**

Freight property management.....	\$	1,000,000
Detroit/Wayne County port authority .....		500,000
Intercity bus equipment .....		2,800,000
Rail passenger service .....		8,200,000

		For Fiscal Year Ending Sept. 30, 2007
Freight preservation and development .....	\$	5,192,900
Rail infrastructure loan program.....		1,100,000
Intercity bus service development .....		4,850,000
Marine passenger service.....		400,000
Terminal development .....		1,751,300
GROSS APPROPRIATION.....	\$	25,794,200
Appropriated from:		
Federal revenues:		
DOT, federal transit act .....		3,500,000
DOT-FRA, local rail service assistance.....		100,000
DOT-FRA, rail passenger/HSGT .....		1,000,000
Special revenue funds:		
Rail preservation fund .....		2,000,000
Intercity bus equipment fund.....		1,000,000
Comprehensive transportation fund .....		18,144,200
Local funds.....		50,000
State general fund/general purpose .....	\$	0
<b>Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT (MOBILITY)</b>		
Specialized services .....	\$	11,300,100
Municipal credit program.....		2,000,000
Bus capital.....		64,726,500
Van pooling .....		195,000
Service initiatives .....		1,200,000
Transportation to work .....		14,844,000
GROSS APPROPRIATION.....	\$	94,265,600
Appropriated from:		
Federal revenues:		
DOT, federal transit act .....		40,100,000
Special revenue funds:		
Comprehensive transportation fund .....		38,715,600
Local funds.....		15,450,000
State general fund/general purpose .....	\$	0

## PART 2

### PROVISIONS CONCERNING APPROPRIATIONS

#### GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is \$2,225,331,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is \$1,304,085,600.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

#### DEPARTMENT OF TRANSPORTATION

Grants to local programs.....	\$	33,000,000
Economic development fund.....		22,903,400
Grants to cities and villages .....		362,096,000
Grants to county road commissions.....		649,447,500
Local bridge fund.....		30,455,300
Grants to regional planning councils .....		488,800
Local bus operating.....		166,624,000
Bus capital.....		27,226,500
Marine passenger service.....		400,000
Detroit/Wayne County port authority.....		500,000
Municipal credit program.....		2,000,000
Specialized services .....		4,100,100
Transportation to work .....		4,844,000
Total payments to local units of government .....	\$	1,304,085,600



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

Sec. 203. As used in this article:

- (a) "CTF" means comprehensive transportation fund.
- (b) "Department" means the department of transportation.
- (c) "DOT" means the United States department of transportation.
- (d) "DOT-FHWA" means DOT, federal highway administration.
- (e) "DOT-FRA" means DOT, federal railroad administration.
- (f) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad administration, high-speed ground transportation.
- (g) "EDF" means economic development fund.
- (h) "FTE" means full-time equated.
- (i) "MTF" means Michigan transportation fund.
- (j) "RIF" means recreation improvement fund.
- (k) "SAF" means state aeronautics fund.
- (l) "STF" means state trunkline fund.

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

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

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

Sec. 207. At least 90 days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 6 months. As used in this section, "privatize" or "privatization" means the transfer of state highway maintenance functions or activities currently performed by department forces, or by boards of county road commissioners, county boards of commissioners, or local units of government under contract with the department, to private contractors.

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

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

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

Sec. 211. The departments and state agencies receiving appropriations under this article shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

Sec. 258. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

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

Sec. 260. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2007 shall be limited to situations in which 1 or more of the following conditions apply:

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
- (d) The travel is necessary to comply with federal requirements.
- (e) The travel is necessary to secure specialized training for staff that is not available within this state, or through the Internet, computer classes, or correspondence.
- (f) The travel is financed entirely by federal or nonstate funds.

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

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

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

Sec. 261. A department or state agency shall not take disciplinary action against an employee for communicating with a member of the legislature or their staff.

## **DEPARTMENTAL SECTIONS**

Sec. 301. (1) The department may establish a fee schedule and collect fees sufficient to cover the costs to issue the permits that the department is authorized by law to issue upon request, and for fees associated with freedom of information requests. Unless otherwise authorized by statute, all fee revenue shall be credited to the state trunkline fund to recover the direct and indirect costs of receiving, reviewing, and processing the requests.

(2) A bridge authority shall hold 3 public hearings on an increase in any toll charged by the authority at least 30 days before the toll change will become effective. Two of the hearings shall be held within 5 miles of the bridge over which the bridge authority has jurisdiction. One hearing shall be held in Lansing. Public hearings held under this section shall be conducted in accordance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and shall be conducted so as to provide a reasonable opportunity for public comment, including both spoken and written comments.

Sec. 303. On request, the department shall provide to a legislator, in writing, a report on the amount of money to be received by each city and village and the county road commission of each county, that is included in whole or in part within the legislator's legislative district.

Sec. 304. If, as a requirement of bidding on a highway project, the department requires a contractor to submit financial or proprietary documentation as to how the bid was calculated, that bid documentation shall be kept confidential and shall not be disclosed other than to a department representative without the contractor's written consent. The department may disclose the bid documentation if necessary to address or defend a claim by a contractor.

Sec. 305. The department shall permit space on public passenger transportation properties to be occupied by public or private tenants on a competitive market rate basis. The department shall require that revenue from the tenants be placed in an account to be used to pay the costs to maintain the property.

Sec. 306. Biennially, in each even-numbered fiscal year, the auditor general shall conduct an audit of charges to transportation funds by state departments for the 2 preceding fiscal years. The auditor general shall prepare a detailed report, with recommendations and conclusions, including a list of services charged to transportation funds, the appropriateness of those charges, the cost allocation methodologies used in determining the level of funding, and any unreimbursed costs. The report shall be provided to the senate and house of representatives committees on appropriations, the senate and house fiscal agencies, and the state budget director 9 months after publication of the state of Michigan comprehensive annual financial report.

Sec. 307. Before February 1 of each year, the department will provide to the legislature, the state budget office, and the house and senate fiscal agencies its rolling 5-year plan listing by county or by county road commission all highway construction projects for the fiscal year and all expected projects for the ensuing fiscal years.

Sec. 308. The department and local road agencies that receive appropriations under this article shall pursue compliance with contract specifications for construction and maintenance of state highways and local roads and streets. Work shall not be accepted and paid for until it complies with contract requirements. Contractors with unsatisfactory performance ratings shall be restricted from future bidding through the prequalification process established by the department or a local road agency. The department, county road commissions, and cities and villages shall report to the house of representatives and senate appropriations subcommittees on transportation, the senate and house fiscal agencies, and the state budget director on their respective activities under this section.

Sec. 309. The department shall reduce administrative costs and provide the maximum funding possible for construction projects.

Sec. 310. The department shall provide in a timely manner copies of the agenda and approved minutes of monthly transportation commission meetings to the members of the house and senate appropriations subcommittees on transportation, the house and senate fiscal agencies, and the state budget director.

Sec. 312. At the close of the fiscal year, any unencumbered and unexpended balance in the state trunkline fund shall remain in the state trunkline fund and shall carry forward and is appropriated for federal aid road and bridge programs for projects contained in the annual state transportation program.

Sec. 313. (1) From funds appropriated in part 1, the department may increase a state infrastructure bank program and grant or loan funds in accordance with regulations of the state infrastructure bank program of the United States department of transportation. The state infrastructure bank is to be administered by the department for the purpose of providing a revolving, self-sustaining resource for financing transportation infrastructure projects.

(2) In addition to funds provided in subsection (1), money received by the state as federal grants, repayment of state infrastructure bank loans, or other reimbursement or revenue received by the state as a result of projects funded by the program and interest earned on that money shall be deposited in the revolving state infrastructure bank fund and shall be available for transportation infrastructure projects. At the close of the fiscal year, any unencumbered funds remaining in the state infrastructure bank fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Sec. 314. The department shall provide a report prepared by the department's internal auditor on the activities of the internal auditor for the previous fiscal year. The report shall be due on February 1, 2007 and shall be submitted to the senate and house of representatives appropriations committees, the senate and house fiscal agencies, the director of the state budget office, and the auditor general. This report shall include a list of all of the following:

(a) All work activities conducted by the internal auditor, including a listing of all audits, reviews, and investigations.

(b) The time charged to each work activity, including time charged to each audit, review, or investigation.

(c) A listing of which audits, reviews, and investigations have been completed and which audits, reviews, and investigations have had reports of the results issued.

Sec. 319. The department shall post signs at each rest area to identify the agency or contractor responsible for maintenance of the rest area. The signs shall include a department telephone number and shall indicate that unsafe or unclean conditions at the rest area may be reported to that telephone number.

Sec. 324. From the funds appropriated in part 1, \$500,000.00 from the state trunkline fund shall be used for enhanced construction zone traffic law enforcement and the “give ‘em a brake” campaign. The funding shall be used to reimburse law enforcement agencies for costs associated with construction zone traffic enforcement. The funding shall be provided based on approved memoranda of understanding between the department and participating law enforcement agencies.

Sec. 334. The department shall continue its program to increase the use of women- and minority-owned businesses in state and local road construction projects. This program shall comprise, at a minimum, outreach and education efforts to inform women- and minority-owned firms of department competitive bidding processes and requirements, and an assessment of the availability of surety for women- and minority-owned businesses. The department shall report by March 31, 2007, to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies of its progress in complying with this section.

Sec. 353. The department shall review its contractor payment process and ensure that all prime contractors are paid promptly. The department shall ensure that prime contractors are in compliance with special provision 109.10 regarding the prompt payment of subcontractors.

Sec. 357. When presented with complete local federal aid project submittals, the department shall complete all necessary reviews and inspections required to let local federal aid projects within 120 days of receipt. The department shall implement a system for monitoring the local federal aid project review process.

Sec. 361. The department will notify the senate and house appropriations subcommittees on transportation, the senate and house fiscal agencies, and the state budget director of any changes to the services or function of the multi-modal transportation services program as approved by the state transportation commission.

Sec. 370. From the funds appropriated in part 1, the department shall maintain a complaint process to enforce the charter service prohibition contained in section 10e of 1951 PA 51, MCL 247.660e. The complaint process shall be independent from the charter service complaint process administered by the federal department of transportation, federal transit administration under 49 CFR part 604. The process shall allow complainants to file written complaints with the director, either through the United States mail or through the department’s Internet site. The process shall allow complainants and respondents to provide evidence to the director regarding the alleged complaint. The director shall dispose of all complaints within 120 days after receipt.

Sec. 374. The department shall produce and distribute all employee newsletters electronically.

Sec. 375. The department is prohibited from reimbursing contractors or consultants for costs associated with groundbreaking ceremonies, receptions, open houses, or press conferences related to transportation projects funded, in whole or in part, by revenue appropriated in part 1.

Sec. 376. No later than October 15, 2006, the department shall report to the senate and house of representatives appropriations subcommittees on transportation on the status of the 17 projects that were initially deferred in the department’s 5-year plan in 2003 and subsequently restored.

Sec. 379. The department shall not spend any comprehensive transportation fund revenue appropriated in part 1 on operational planning for an eligible authority or eligible governmental agency in accordance with section 10b(3) of 1951 PA 51, MCL 247.660b.

Sec. 380. (1) The department only shall use those appropriations contained in sections 114 and 115 to support the operations of the multi-modal transportation services bureau. Except as provided in subsection (2), the department is prohibited from charging any costs associated with the multi-modal transportation services bureau to any appropriation in part 1, other than the appropriations contained in sections 114 and 115, regardless of their funding source without an approved legislative transfer or an enacted supplemental appropriations bill.

(2) Funds not appropriated in sections 114 and 115 may be used to fund costs associated with multi-modal transportation services, aeronautics, or freight safety services activities related to federally eligible costs for project management, inspection, and administration of federally funded projects and for construction of safety inspections of rail projects.

Sec. 381. No funds appropriated in part 1 shall be used to pay for the costs associated with the production or airing of a television program by the department, unless the program addresses traffic or safety advisories.

Sec. 383. (1) The department, with assistance from the departments of state police, natural resources, and military and veterans affairs, shall prepare a quarterly report on all travel by executive branch employees on state-owned, noncombat aircraft. The report shall include, by department, the name of the traveler, the travel origination location, the travel destination location, type of aircraft, and the total estimated costs associated with the air travel.

(2) From the funds appropriated in part 1, the department is prohibited from transporting employees of institutions of higher education on state-owned aircraft.

(3) From the funds appropriated in part 1, the department is prohibited from transporting legislators or legislative staff on state-owned aircraft without prior approval from the senate majority leader and/or the speaker of the house of representatives.

(4) From the funds appropriated in part 1, the department is prohibited from transporting local government employees on state-owned aircraft.

(5) It is the intent of the legislature that state elected officials use commercial or other private air service, unless air travel on state-owned aircraft is part of official state business.

(6) This section does not apply to transportation that is related to law enforcement or homeland security activities.

Sec. 384. The department shall not, directly or indirectly, expend any funds appropriated in part 1 for design or right-of-way acquisition associated with a new crossing of the Detroit River between Detroit, Michigan and Windsor, Ontario.

Sec. 391. It is the intent of the legislature that there be established within the department 2 separate deputy director positions with responsibility for public transportation programs. One position shall function as chief administrative officer for all public transportation programs, other than aeronautics programs. The second position shall function as the director of aeronautics as established in section 27 of the state aeronautics code, 1945 PA 327, MCL 259.27.

## **FEDERAL**

Sec. 401. When the department receives authorization from the federal government to commit transportation funds pursuant to federal appropriations, it shall present to the senate and house of representatives appropriations transportation subcommittees and the senate and house fiscal agencies, the federal amounts and categories authorized and the department's recommendation for distribution of these funds. If a recommendation or recommendations are not approved within 30 business days by both the senate and house of representatives appropriations transportation subcommittees, then the recommendation or recommendations shall be considered as disapproved. If either the senate or house of representatives appropriations transportation subcommittees disapproves the proposed distribution, then the senate and house of representatives appropriations transportation subcommittees and the department shall hold a joint meeting to develop a final distribution.

Sec. 402. A portion of the federal DOT-FHWA highway research, planning, and construction funds made available to the state shall be allocated to transportation programs administered by local jurisdictions in accordance with section 10o of 1951 PA 51, MCL 247.660o. A local road agency, with respect to a project approved for federal aid funding in a state transportation improvement program, may enter into a voluntary buyout agreement with the department or with another local road agency to exchange the federal aid with state restricted transportation funds as agreed to by the respective parties. The state-restricted transportation funds received in exchange for federal aid funds shall be used for the same purpose as the federal aid funds were originally intended.

## **MICHIGAN TRANSPORTATION FUND**

Sec. 501. The money received under the motor carrier act, 1933 PA 254, MCL 475.1 to 479.43, and not appropriated to the department of labor and economic growth or the department of state police is deposited in the Michigan transportation fund.

Sec. 502. The department of treasury shall perform audits and make investigations of the disposition of all state funds received by county road commissions or county boards of commissioners, as applicable, and cities and villages for transportation purposes to determine compliance with the terms and conditions of 1951 PA 51, MCL 247.651 to 247.675. County road commissions or county boards of commissioners, as applicable, and cities and villages shall make available to the department of treasury the pertinent records for the audit.

Sec. 503. (1) The funds appropriated in part 1 for the economic development and local bridge programs shall not lapse at the end of the fiscal year but shall carry forward each fiscal year for the purposes for which appropriated in accordance with 1987 PA 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL 247.660.

(2) Interest earned in the department of transportation economic development fund and local bridge fund shall remain in the respective funds and shall be allocated to the respective programs based on actual interest earned at the end of each fiscal year.

(3) The department of transportation economic development fund and local bridge fund may receive and expend federal, local, or private funds or restricted source funds such as interest earnings for projects that are consistent with the programmatic mission of the respective funds in addition to funds appropriated in part 1.

(4) None of the funds statutorily dedicated to the transportation economic development fund and local bridge fund shall be diverted to other projects.

Sec. 504. (1) Funds from the Michigan transportation fund (MTF) shall be distributed to the comprehensive transportation fund (CTF), the economic development fund (EDF), the recreation improvement fund (RIF), and the state trunkline fund (STF), in accordance with this article and part 711 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108, and may only be used as specified in this article, 1951 PA 51, MCL 247.651 to 247.675, and part 711 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108.

(2) The amounts appropriated and transferred to various state agencies from part 1 shall be expended from the transportation funds pursuant to annual contracts between the department and state agencies providing tax and fee collection and other services applicable to transportation funds. The contracts shall be executed prior to the transfer of these funds. The contracts shall provide, but are not limited to, the following data applicable to each state agency:

(a) Estimated costs to be recovered from transportation funds.

(b) Description of services financed with transportation funds.

(c) Detailed cost allocation methods that are appropriate to the type of services being provided and the activities financed with transportation funds.

(3) Two months after publication of the state of Michigan comprehensive annual financial report, each state agency receiving an interdepartment and statutory contract from the department shall submit a written report to the department, the state budget director, and the house and senate fiscal agencies stating by spending authorization account the amount of estimated funds contracted with the department, the amount of funds expended, the amount of funds returned to the transportation funds, and any unreimbursed transportation-related costs incurred but not billed to transportation funds. A copy of the report shall be submitted to the auditor general and the report shall be subject to audit by the auditor general.

(4) In addition to the requirements of subsection (3), the state treasurer shall develop a cost allocation plan to identify the actual costs of work based on time and effort performed by the Michigan department of treasury for state-restricted transportation funds. The cost allocation plan shall specifically identify the costs of collecting constitutionally restricted motor fuel taxes. The cost allocation plan shall be submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, the auditor general, and the state budget director by November 1. The cost allocation plan shall be subject to audit by the auditor general.

## **STATE TRUNKLINE FUND**

Sec. 601. The department shall work with the road construction industry and engineering consulting community to develop performance and road construction warranties for construction contracts. The development of warranties shall include warranties on materials, workmanship, performance criteria, and design/build projects. The department will report by September 30 of each calendar year to the house of representatives and senate appropriations subcommittees on transportation, the state budget director, and the house and senate fiscal agencies on the status of efforts to develop performance and road construction warranties.

Sec. 602. If the department uses manufactured pipe for road construction drainage, the department shall require that pipe used under certain load-bearing conditions beneath the roadway meets the standards established by the American society for testing and materials (ASTM) or American association of state highway and transportation officials (AASHTO). The department may also use the mandrel test for manufactured pipe 60 days after installation and provide a summary of the results of these inspections to the house of representatives and senate appropriations subcommittees on transportation and house and senate fiscal agencies.

Sec. 603. The department shall use traffic congestion as 1 of the criteria in determining the priorities for designating which roads shall be remediated in its 5-year road plan, which must be submitted on or before February 1, 2007. Criteria for evaluating traffic congestion shall include, but not be limited to, coordination with local, county, and regional planning, improvement in traffic operations, improvement in physical roadway conditions, accident reduction, and coordination with area public transportation planning.

Sec. 607. Funding shall be made available for the remediation of unsafe pedestrian crossings on state highways. Funds from this appropriation may be expended only as matching funds for up to 50% of project cost with additional project funding to be provided by local units of government or through private contributions. Selected projects shall require the approval of the transportation commission. Maintenance of pedestrian overpasses constructed from funds made available through this appropriation shall be the responsibility of a local unit of government or public or private institutions of higher education.

Sec. 608. From the amounts appropriated in part 1 for forest roads from the transportation economic development fund, \$40,000.00 shall be used for the purpose of establishing 2 additional truck inspection stations. The department shall work directly with representatives of the timber industry to educate truck drivers on the use of the stations. The department shall report on the status of this program.

Sec. 610. It is the intent of the legislature that the department have as a priority the removal of dead deer and other large animal remains from the traveled portion and shoulder of state highways. The department, and counties that perform state highway maintenance under contract, shall remove animal remains, wherever practicable, away from the traveled portion and shoulder of state highways.

Sec. 611. From the appropriations in part 1, the department shall use high-quality pavement marking materials for all state trunkline projects with a design life of 10 years or greater. The department shall coordinate with material suppliers, equipment manufacturers, and application contractors to ensure cost-effective improvements in durability and retro-reflectivity. The department shall identify pilot projects for demonstration of wet reflective characteristics. The department shall submit a report to both the house and senate appropriations committees and the house and senate fiscal agencies by January 31, 2007, that provides a report on the wet reflective pilot projects and the use of high-quality pavement marking materials in coordination with material suppliers, equipment manufacturers, and application contractors.

Sec. 612. The department shall establish guidelines governing incentives and disincentives provided under contracts for state trunkline projects. The guidelines shall include specific financial information concerning incentives and disincentives. On or before January 1, 2007, the department shall prepare a report for the immediately preceding fiscal year regarding contract incentives and disincentives. This report shall include a list, by project, of the contractors that received contract incentives and/or disincentives, the amount of the incentives and/or disincentives, and the number of days that each project was completed either ahead or past the contracted completion date. This report shall be provided to the senate and house appropriations subcommittees on transportation, the senate and house standing committees on transportation, and the senate and house fiscal agencies.

Sec. 613. From the funds appropriated in part 1, not less than \$50,000.00 shall be expended for the implementation of a comprehensive signage program on I-94, US-127, US-223, M-50, US-23, and I-69 to assist traffic coming from all directions to locate the Michigan international speedway.

Sec. 615. From the funds appropriated in part 1, the department shall proceed with the construction of a full interchange at the intersection of M-48 and I-75 in Chippewa County. The department shall develop design plans and award the construction contract for this project during the fiscal year ending September 30, 2007.

Sec. 616. From the funds appropriated in part 1, the department shall reimburse the city of Petoskey for installation of a traffic light on US-31 at the intersection with Bay Harbor in Emmet County.

Sec. 639. The department shall develop a plan and schedule to place signs on state highways that direct motorists to drive on the right half of the roadway in accordance with section 634 of the Michigan vehicle code, 1949 PA 300, MCL 257.634. The plan and schedule shall be submitted to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director by November 1, 2006.

Sec. 640. The department shall develop a plan and schedule to place signs on state highways that direct motorists to yield the right-of-way to approaching emergency vehicles in accordance with section 653 of the Michigan vehicle code, 1949 PA 300, MCL 257.653. The plan and schedule shall be submitted to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director by November 1, 2006.

Sec. 654. It is the intent of the legislature that the Mackinac Bridge Authority work to protect the long-term viability of the Mackinac Bridge.

Sec. 655. It is the intent of the legislature that the department expend not less than \$32,000.00 for a safe routes to schools project in Eaton Rapids, Michigan, involving extension of and improvements to sidewalks along North State Street from Gould to beyond Greyhound Drive, as well as connecting streets in neighborhoods near Eaton Rapids High School, Eaton Rapids Middle School, Greyhound Intermediate School, and Lockwood Elementary School.

Sec. 656. It is the intent of the legislature that the department upgrade that section of M-49 from M-99 to US-12 to standards necessary for designation as a designated highway as provided under sections 717 and 718 of the Michigan vehicle code, 1949 PA 300, MCL 257.717 and 257.718, and for inclusion as a "green" special designated highway on the department's truck operator's map.

Sec. 657. It is the intent of the legislature that the department proceed with a congestion mitigation corridor study of US-23 from M-14 to I-96 in Washtenaw and Livingston counties, including environmental assessment of transportation improvements to US-23.

#### **COMPREHENSIVE TRANSPORTATION FUND**

Sec. 701. Money that is received by the state as a lease payment for state-owned intercity bus equipment is not money to be deposited in the comprehensive transportation fund under section 10b of 1951 PA 51, MCL 247.660b, but is money that is deposited in an intercity bus equipment fund for appropriation for the purchase and repair of intercity bus equipment. Proceeds received by the state from the sale of intercity bus equipment are deposited in an intercity bus equipment fund for appropriation for the purchase and repair of intercity bus equipment. Security deposits from the lease of state-owned intercity bus equipment not returned to the lessee of the equipment under terms of the lease agreement are deposited in an intercity bus equipment fund for appropriation for the repair of intercity bus equipment. At the close of the fiscal year, any funds remaining in the intercity bus equipment fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Sec. 702. Money that is received by the state as repayment for loans made for rail or water freight capital projects, and as a result of the sale of property or equipment used or projected to be used for rail or water freight projects shall be deposited in the fund created by section 17 of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.67. At the close of the fiscal year, any funds remaining in the rail preservation fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Sec. 703. After receiving notification from a railroad company pursuant to section 8 of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.58, the department shall immediately notify the house of representatives and senate appropriations subcommittees on transportation and the state budget office that the railroad company has filed with the appropriate governmental agencies for abandonment of a line.

Sec. 705. Funds appropriated in part 1 for the rail infrastructure loan program shall be credited to the rail infrastructure loan fund established in section 15a of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.65a.

Sec. 706. The Detroit/Wayne County port authority shall issue a complete operations assessment and a financial disclosure statement. The operations assessment shall include operational goals for the next 5 years and recommendations to improve land acquisition and development efficiency. The report shall be completed and submitted to the house of representatives and senate appropriations subcommittees on transportation, the state budget director, and the house and senate fiscal agencies by February 15 of each fiscal year for the prior fiscal year.

Sec. 707. (1) For the fiscal year ending September 30, 2007, each eligible authority and each eligible governmental agency which provides public transportation services in urbanized areas with a Michigan population of less than or equal to 100,000 and nonurbanized areas under section 5311 of title 49 of the United States Code, 49 USC 5311, shall receive a grant of up to 60% of its eligible operating expenses. Each eligible authority and each eligible government agency



which provides public transportation services in urbanized areas with a Michigan population of greater than 100,000 under section 5307 of title 49 of the United States Code, 49 USC 5307, shall receive a grant of up to 50% of its eligible operating expenses.

(2) If the department determines that the Detroit transportation corporation is an eligible governmental agency as defined in section 10c(c) of 1951 PA 51, MCL 247.660c, and is eligible for operating grants under section 10e of 1951 PA 51, MCL 247.660e, the Detroit transportation corporation shall receive an operating grant not to exceed the amount of the distribution it received for eligible operating expenses for the fiscal year ending September 30, 1997 as provided in section 10e(4)(a)(v) of 1951 PA 51, MCL 247.660e. The funding plan for capital construction costs of the Detroit people mover project as described and provided under 1984 PA 243, 1985 PA 111, 1986 PA 207, 1987 PA 136, 1988 PA 271, 1989 PA 54, and 1990 PA 202 represents the only funding plan for cost overruns and there is no provision or expectation of other state money of any nature or character whatsoever for the construction or operation of the project.

Sec. 708. If funds appropriated in part 1 are used to provide state-owned or state-leased buses to private intercity bus carriers, the department shall charge not less than \$1,000.00 per bus per year for their use.

Sec. 709. (1) The following bus routes are designated as an essential corridor in Michigan:

Between St. Ignace and Escanaba	US-2
Between Escanaba and Duluth	US-2 through Ironwood to the state line
Between Calumet and Escanaba	US-41
Between Escanaba and Milwaukee	US-41 through Menominee to the state line
Between St. Ignace and Sault Ste. Marie	I-75
Between Detroit and Chicago	I-94 from Detroit to the state line
Between Detroit and Muskegon	I-96
Between Grand Rapids, Holland, and Benton Harbor	I-196 to I-94
Between Muskegon and Grand Rapids	US-31, I-96
Between Detroit and Bay City	I-75
Between Bay City and Mount Pleasant	US-10, M-20
Between Jackson and Traverse City	US-127, US-27, I-75, Grayling, Gaylord, M-72 to Traverse City
Between Jackson and Indianapolis	I-69, I-94 to the state line through Albion, Marshall, and Coldwater
Between Houghton Lake and Cadillac	M-55 and M-66
Between Detroit and Toledo	I-75 to the state line
Between the Indiana state line and Traverse City	US-31 and I-196
Between Detroit and Port Huron	I-375 and I-94
Between Toledo and Bay City	US-23, I-75, and I-675, I-75
Between Bay City and Chicago	I-75, Flint, I-69, I-94, Battle Creek, I-94 to the state line
Between Flint and Lansing	I-69, M-21, Owosso, M-52, I-69
Between Bay City and St. Ignace	I-75, US-23
Between Grand Rapids and St. Ignace	US-131, Cadillac, M-115, Mesick, M-37 to Traverse City, US-31, Acme, M-72, Kalkaska, US-131, Boyne Falls, M-75, Walloon Lake, US-131, Petoskey, US-31, I-75, St. Ignace
Between Kalamazoo and Grand Rapids	US-131

(2) Any changes to the essential corridor list in subsection (1) shall be approved by the house and senate appropriations subcommittees on transportation.

(3) No entity shall receive operating assistance for a scheduled regular route service which is competing with another private or public carrier over the same route.

Sec. 711. (1) From the funds appropriated in part 1 from the comprehensive transportation fund for rail passenger service, the department shall negotiate with a rail carrier to provide rail service between Grand Rapids and Chicago and between Port Huron and Chicago on a 7-day basis, consistent with the other provisions of this section.

(2) Any state subsidy for rail passenger service between Grand Rapids and Chicago and between Port Huron and Chicago shall be limited to an amount equal to revenue generated from operation of these routes, including, but not limited to, revenue from fares and concessions. The state subsidy shall not exceed \$7,100,000.00.

(3) The rail carrier shall, as a condition to receiving a state operating subsidy, maintain a system to monitor, collect, and resolve customer complaints and shall make the information available to the department, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies.

(4) The department shall submit a report to both the house and senate appropriations committees and the house and senate fiscal agencies by January 1, 2007 that provides a 5-year history on services, ridership, and subsidies.

(5) Future state support for the service between Grand Rapids and Chicago and Port Huron and Chicago is dependent on the department's ability to provide a plan and a contract for services that increase ridership and revenue, reduce operating costs, and improve on-time performance. The department shall include a section in the report required in subsection (4) detailing efforts to reduce the dependence on state operating subsidies and projected operating expenses for the next 2 years, and recommending service alternatives, for the Grand Rapids to Chicago service and the Port Huron to Chicago service.

(6) No state subsidy shall be provided from the funds appropriated in part 1 if the chosen rail carrier is Amtrak and Amtrak discontinued service or any portion of the service between Port Huron and Chicago or Grand Rapids and Chicago during the preceding fiscal year, unless the discontinuance of service was for track maintenance or was caused by acts of God.

Sec. 714. (1) The department, in cooperation with local transit agencies, shall work to ensure that demand-response services are provided throughout Michigan. The department shall continue to work with local units of government to address the unmet transit needs in Michigan.

(2) The department shall report by March 1, 2007 on its efforts to implement this section over the past 2 years.

Sec. 721. For federal transit administration bus acquisition capital grants matched with CTF funds appropriated in part 1, transit agencies shall have 4 years from the federal approval date to carry out their projects. Contract line items unobligated 4 years after the federal approval date may be matched with CTF funds only up to 15% in the fifth and subsequent years. "Unobligated" means any line item in the contract that is not committed to a third party or purchase order. A waiver shall be granted by the department for an additional year with documented justification from the transit agency accompanied by a resolution from the board or authority seeking a waiver. If a transit agency does not carry out a line item activity in a specific authorization and the transit agency requests funds in a new authorization for that same activity, the line item shall be matched at up to 15%. This section applies only to bus acquisition capital grants. Lapsed funds under this section shall remain in the CTF.

Sec. 722. From the funds appropriated in part 1 for transportation to work from the CTF, sufficient funds shall be used as a match for job access reverse commute grants for local transit agencies.

Sec. 729. From the funds appropriated in part 1 for intercity bus service development, \$100,000.00 shall be used for lost ridership support and/or marketing efforts to increase awareness of intercity bus service, increase ridership on intercity bus carriers, and improve coordination of intercity bus service in Michigan.

Sec. 730. The department shall sell all state-owned intercity bus equipment within 6 months of termination of lease agreements with intercity bus carriers. The proceeds from the sale of state-owned intercity bus equipment under this section shall be deposited in the intercity bus equipment fund, consistent with section 701.

Sec. 731. The department shall charge public transit agencies and intercity bus carriers equal rates per square foot for leasing space in state-owned intermodal facilities.

Sec. 732. (1) From the funds appropriated in part 1 for local bus operating, eligible authorities and eligible governmental agencies receiving grants under section 10e of 1951 PA 51, MCL 247.660e, shall equip vehicles with necessary operational lifts and certify to the department, in a format specified by the department, that those lifts are maintained and cycled on a regularly scheduled basis to ensure operability consistent with authority granted to the department under 1951 PA 51, MCL 247.651 to 247.675.

(2) By October 29, 2006, eligible authorities and eligible governmental agencies shall forward to the department and the senate and house fiscal agencies a report on the status of their fleet with respect to operational lifts pursuant to subsection (1). Eligible authorities and eligible governmental agencies shall specifically include information in the report on the number and percentage of the fleet with operational lifts, and the number and percentage of the fleet with operational lifts that are not in working order.

(3) An eligible authority or eligible governmental agency that reports, pursuant to subsection (2), that vehicles currently eligible for or in active service have lifts that are not operational, shall certify to the department by December 31, 2006 that the nonoperational lifts have been repaired or replaced and are operational.

(4) By April 1, 2007, the department director shall certify, in writing, to the senate and house appropriations subcommittees on transportation, senate and house fiscal agencies, and the state budget director that the information provided by each eligible authority or eligible governmental agency under subsections (2) and (3) is accurate to the best of the director's knowledge. In the event that the department director finds that the information provided by each eligible authority or eligible governmental agency under subsections (2) and (3) is inaccurate, the director shall notify the eligible authority or eligible governmental agency of the inaccuracies and require submission of a corrected report.

(5) Eligible authorities and eligible governmental agencies that report, pursuant to subsection (2), nonoperational lifts on vehicles currently eligible for or in active service, and who are unable to certify, pursuant to subsection (3), that lifts have been repaired or replaced by December 31, 2006, shall not receive 25% of their monthly local bus operating grant, beginning January 1, 2007. Persons 65 years of age or older and persons with disabilities shall be exempt from fare box charges for the period an eligible authority or eligible governmental agency has funds withheld pursuant to this subsection.

(6) If the eligible authority or eligible governmental agency certifies on or before April 30, 2007 that lifts reported as nonoperational pursuant to subsections (3) and (4) are now operational, funds withheld during the period subsequent to December 31, 2006 shall be forwarded to the applicable eligible authority or eligible governmental agency. If the applicable lifts are not operational by April 30, 2007, funds withheld pursuant to subsection (4) shall be forfeited and deposited to the comprehensive transportation fund.

(7) The department shall report to the senate and house appropriations subcommittees on transportation, senate and house fiscal agencies, and the state budget director on September 30, 2007, regarding actions taken with respect to implementation of this section.

(8) The department shall ensure that transit agencies have adequate wheelchair lifts available on demand response vehicles to meet the needs of persons with disabilities.

Sec. 734. (1) The department shall ensure that all public transit agencies provide the highest quality public transit service by moving people in a cost-effective, safe, and user-friendly manner that maintains and attracts residents and businesses.

(2) Public transit agencies receiving funds under part 1 shall do all of the following:

(a) Provide efficient, cost-effective, safe, well-maintained, reliable, customer-driven transportation services.

(b) Provide a quality work environment that has and fulfills employee performance, productivity, and development standards.

(c) Identify and capture all available funding or create cost-effective programs to eliminate debt and have a balanced budget.

(d) Maintain sufficient local and community funding.

(e) Support business development by providing transportation to areas of employment and commerce, emerging or established businesses, and health care facilities.

Sec. 736. From the funds appropriated in part 1, the department shall work with intercity rail and bus passenger carriers to coordinate intercity passenger transportation in Michigan. The department shall assist in the coordination of intercity routes, schedules, and facilities.

Sec. 737. It is the intent of the legislature that the department proceed with the construction of a Birmingham/Troy intermodal passenger facility.

Sec. 738. It is the intent of the legislature that sufficient funds be allocated from the appropriation in section 117 to complete the rehabilitation of rail track between Hillsdale to Quincy.

Sec. 739. Eligible authorities and eligible governmental agencies receiving grants from funds appropriated in this article shall not assign buses longer than 40 feet to fixed route service if a reasonable estimate of ridership does not warrant the use of such large-capacity vehicles.

## **AERONAUTICS FUND**

Sec. 801. At the close of the fiscal year, any unobligated and unexpended balance in the state aeronautics fund created in the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1 to 259.208, shall lapse to the state aeronautics fund and be appropriated by the legislature in the immediately succeeding fiscal year.

Sec. 805. State aeronautics funds appropriated in part 1 for airport safety and protection plan debt service are transferred to the comprehensive transportation fund and are appropriated for the purpose of reimbursing comprehensive transportation fund debt service obligations for the airport safety and protection plan program.

ARTICLE 19  
SUPPLEMENTAL

PART 1  
LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the various departments and state agencies and capital outlay to supplement appropriations for the fiscal year ending September 30, 2006. The following is a summary of the appropriations in this part:

**APPROPRIATION SUMMARY:**

Full-time equated classified positions .....	20.0		
GROSS APPROPRIATION .....		\$	240,104,900
Total interdepartmental grants and intradepartmental transfers .....			0
ADJUSTED GROSS APPROPRIATION .....		\$	240,104,900
Total federal revenues .....			158,074,700
Total local revenues .....			6,457,300
Total private revenues .....			475,000
Total other state restricted revenues .....			22,323,800
State general fund/general purpose .....		\$	52,774,100

**Sec. 102. DEPARTMENT OF ATTORNEY GENERAL**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....		\$	0
Total interdepartmental grants and intradepartmental transfers .....			0
ADJUSTED GROSS APPROPRIATION .....		\$	0
Total federal revenues .....			0
Total local revenues .....			0
Total private revenues .....			0
Total other state restricted revenues .....			0
State general fund/general purpose .....		\$	0

**(2) ATTORNEY GENERAL OPERATIONS**

Attorney general operations .....		\$	0
GROSS APPROPRIATION .....		\$	0
Appropriated from:			
Special revenue funds:			
Merit award trust fund .....			386,800
Tobacco settlement trust fund .....			(386,800)
State general fund/general purpose .....		\$	0

**Sec. 103. CAPITAL OUTLAY**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....		\$	500
Total interdepartmental grants and intradepartmental transfers .....			0
ADJUSTED GROSS APPROPRIATION .....		\$	500
Total federal revenues .....			0
Total local revenues .....			0
Total private revenues .....			0
Total state restricted revenues .....			0
State general fund/general purpose .....		\$	500

**(2) STATE BUILDING AUTHORITY FINANCED CONSTRUCTION PROJECTS**

University of Michigan - Flint - French hall renovations authorized for planning in 2005 PA 10, for design and construction (total authorized cost \$9,350,000; state building authority share \$6,999,800; University of Michigan - Flint share \$2,350,000; state general fund share \$200) .....		\$	100
University of Michigan - Ann Arbor - Phoenix laboratory - third of 3 components authorized for planning in 2005 PA 10, for design and construction (total authorized cost \$9,500,000; state building authority share \$6,428,200; University of Michigan - Ann Arbor share \$3,071,700; state general fund share \$100) .....			100
Central Michigan University - education building - authorized for planning in 2005 PA 10, for design and construction (total authorized cost \$50,000,000; state building authority share \$37,499,800; Central Michigan University share \$12,500,000; state general fund share \$200) .....			100

Wayne State University - engineering development center - authorized for planning in 2005 PA 10, for design and construction (total authorized cost \$27,350,000; state building authority share \$12,350,000; Wayne State University share \$11,500,000; state general fund share \$200) ...	\$	100
Department of Corrections - Egeler correctional facility - fire safety improvements - for design and construction (total authorized cost \$8,300,000; state building authority share \$8,299,900; state general fund share \$100) .....		100
GROSS APPROPRIATION .....	\$	500
Appropriated from:		
State general fund/general purpose .....	\$	500

## Sec. 104. DEPARTMENT OF COMMUNITY HEALTH

### (1) APPROPRIATION SUMMARY

Full-time equated classified positions .....	5.0	
GROSS APPROPRIATION .....	\$	161,116,200
Total interdepartmental grants and intradepartmental transfers .....		0
ADJUSTED GROSS APPROPRIATION .....	\$	161,116,200
Total federal revenues .....		104,598,200
Total local revenues .....		3,857,300
Total private revenues .....		400,000
Total other state restricted revenues .....		24,878,000
State general fund/general purpose .....	\$	27,382,700

### (2) DEPARTMENTWIDE ADMINISTRATION

Departmental administration and management—1.0 FTE position .....	\$	31,700
GROSS APPROPRIATION .....	\$	31,700

Appropriated from:

Federal revenues:

Total federal revenues .....		15,800
State general fund/general purpose .....	\$	15,900

### (3) FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES

Family, maternal, and children's health services administration—2.0 FTE positions .....	\$	63,300
GROSS APPROPRIATION .....	\$	63,300

Appropriated from:

Federal revenues:

Total federal revenues .....		31,700
State general fund/general purpose .....	\$	31,600

### (4) OFFICE OF SERVICES TO THE AGING

Respite care program .....	\$	0
GROSS APPROPRIATION .....	\$	0

Appropriated from:

Special revenue funds:

Merit award trust fund .....		5,000,000
Tobacco settlement trust fund .....		(5,000,000)
State general fund/general purpose .....	\$	0

### (5) MEDICAL SERVICES ADMINISTRATION

Medical services administration—2.0 FTE positions .....	\$	805,300
GROSS APPROPRIATION .....	\$	805,300

Appropriated from:

Federal revenues:

Total federal revenues .....		402,700
State general fund/general purpose .....	\$	402,600

### (6) MEDICAL SERVICES

Hospital services and therapy .....	\$	116,400,000
Pharmaceutical services .....		57,500
Auxiliary medical services .....		9,821,400
Long-term care services .....		0
Health plan services .....		33,937,000
Elder prescription insurance coverage .....		0
Subtotal basic medical services program .....		160,215,900
GROSS APPROPRIATION .....	\$	160,215,900

Appropriated from:	
Federal revenues:	
Total federal revenues .....	\$ 104,148,000
Special revenue funds:	
Total local revenues .....	3,857,300
Total private revenues.....	400,000
Merit award trust fund.....	41,418,000
Tobacco settlement trust fund .....	(67,000,000)
Total other state restricted revenues .....	50,460,000
State general fund/general purpose .....	\$ 26,932,600

## **Sec. 105. DEPARTMENT OF CORRECTIONS**

### **(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$ 10,000,000
Total interdepartmental grants and intradepartmental transfers .....	0
ADJUSTED GROSS APPROPRIATION.....	\$ 10,000,000
Total federal revenues .....	0
Total local revenues .....	0
Total private revenues.....	0
Total other state restricted revenues .....	0
State general fund/general purpose .....	\$ 10,000,000

### **(2) NORTHERN REGION CORRECTIONAL FACILITIES**

Alger Maximum Correctional Facility - Munising .....	\$ 350,000
Baraga Maximum Correctional Facility - Baraga .....	1,124,800
Kinross Correctional Facility - Kincheloe.....	1,369,400
Marquette Branch Prison - Marquette.....	305,500
Newberry Correctional Facility - Newberry .....	86,800
Oaks Correctional Facility - Eastlake.....	85,800
Ojibway Correctional Facility - Marenisco .....	81,000
Pugsley Correctional Facility - Kingsley .....	589,800
Standish Maximum Correctional Facility - Standish.....	305,000
GROSS APPROPRIATION .....	\$ 4,298,100

Appropriated from:

State general fund/general purpose .....	\$ 4,298,100
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### **(3) SOUTHEASTERN MICHIGAN REGION CORRECTIONAL FACILITIES**

Charles E. Egeler Correctional Facility - Jackson.....	\$ 600,000
Huron Valley Correctional Facility - Ypsilanti.....	805,100
Mound Correctional Facility - Detroit.....	520,000
Ryan Correctional Facility - Detroit.....	520,000
Robert Scott Correctional Facility - Plymouth.....	306,200
Thumb Correctional Facility - Lapeer.....	250,000
Jackson area support and services - Jackson .....	347,500
GROSS APPROPRIATION .....	\$ 3,348,800

Appropriated from:

State general fund/general purpose .....	\$ 3,348,800
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### **(4) SOUTHWESTERN REGION CORRECTIONAL FACILITIES**

Bellamy Creek Correctional Facility - Ionia .....	\$ 444,300
Earnest C. Brooks Correctional Facility - Muskegon .....	640,900
Carson City Correctional Facility - Carson City .....	925,000
Richard A. Handlon Correctional Facility - Ionia .....	175,000
Ionia Maximum Correctional Facility - Ionia .....	167,900
GROSS APPROPRIATION .....	\$ 2,353,100

Appropriated from:

State general fund/general purpose .....	\$ 2,353,100
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## **Sec. 106. DEPARTMENT OF EDUCATION**

### **(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$ 195,800
Total interdepartmental grants and intradepartmental transfers .....	0
ADJUSTED GROSS APPROPRIATION.....	\$ 195,800

		For Fiscal Year Ending Sept. 30, 2006
Total federal revenues .....	\$	0
Total local revenues .....		0
Total private revenues.....		0
Total other state restricted revenues .....		195,800
State general fund/general purpose .....	\$	0
<b>(2) GRANT ADMINISTRATION AND SCHOOL SUPPORT SERVICES</b>		
Grant administration and school support services operations .....	\$	195,800
GROSS APPROPRIATION .....	\$	195,800
Appropriated from:		
Special revenue funds:		
Commodity distribution fees .....		195,800
State general fund/general purpose .....	\$	0

## **Sec. 107. DEPARTMENT OF ENVIRONMENTAL QUALITY**

### **(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	50,000
Total interdepartmental grants and intradepartmental transfers .....		0
ADJUSTED GROSS APPROPRIATION .....	\$	50,000
Total federal revenues .....		0
Total local revenues .....		0
Total private revenues.....		0
Total other state restricted revenues .....		50,000
State general fund/general purpose .....	\$	0

### **(2) ENVIRONMENTAL SCIENCE AND SERVICES**

Pollution prevention and technical assistance .....	\$	0
GROSS APPROPRIATION .....	\$	0

Appropriated from:

Special revenue funds:

Small business pollution prevention revolving loan fund.....		100,300
Waste reduction fee revenue.....		(100,300)
State general fund/general purpose .....	\$	0

### **(3) LAND AND WATER MANAGEMENT**

Field permitting and project assistance .....	\$	0
Great Lakes shorelands .....		0
GROSS APPROPRIATION .....	\$	0

Appropriated from:

Special revenue funds:

Environmental protection fund.....		1,000,000
Land and water permit fees .....		(1,000,000)
State general fund/general purpose .....	\$	0

### **(4) GRANTS**

Volunteer river, stream, and creek cleanup .....	\$	50,000
GROSS APPROPRIATION .....	\$	50,000

Appropriated from:

Special revenue funds:

Water quality protection fund.....		50,000
State general fund/general purpose .....	\$	0

## **Sec. 108. DEPARTMENT OF HUMAN SERVICES**

### **(1) APPROPRIATION SUMMARY**

Full-time equated classified positions .....	15.0	
GROSS APPROPRIATION .....	\$	66,281,800
Total interdepartmental grants and intradepartmental transfers .....		0
ADJUSTED GROSS APPROPRIATION .....	\$	66,281,800
Total federal revenues .....		52,190,900
Total local revenues .....		2,600,000
Total private revenues.....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	11,490,900

**(2) CHILD AND FAMILY SERVICES**

Child care fund.....	\$	11,300,000
GROSS APPROPRIATION.....	\$	11,300,000

Appropriated from:

State general fund/general purpose .....	\$	11,300,000
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**(3) LOCAL OFFICE STAFF AND OPERATIONS**

Field staff, salaries and wages—15.0 FTE positions .....	\$	203,600
Contractual services, supplies, and materials .....		53,000
GROSS APPROPRIATION.....	\$	256,600

Appropriated from:

Federal revenues:

Total federal revenues .....		128,300
State general fund/general purpose .....	\$	128,300

**(4) CENTRAL SUPPORT ACCOUNTS**

Rent.....	\$	15,000
Travel.....		3,500
Payroll taxes and fringe benefits.....		106,700
GROSS APPROPRIATION.....	\$	125,200

Appropriated from:

Federal revenues:

Total federal revenues .....		62,600
State general fund/general purpose .....	\$	62,600

**(5) PUBLIC ASSISTANCE**

Food assistance program benefits .....	\$	35,000,000
Low-income home energy assistance program .....		17,000,000
GROSS APPROPRIATION.....	\$	52,000,000

Appropriated from:

Federal revenues:

Total federal revenues .....		52,000,000
State general fund/general purpose .....	\$	0

**(6) JUVENILE JUSTICE SERVICES**

High security juvenile services.....	\$	500,000
Medium security juvenile services .....		2,100,000
GROSS APPROPRIATION.....	\$	2,600,000

Appropriated from:

Special revenue funds:

Local funds - county payback.....		2,600,000
State general fund/general purpose .....	\$	0

**Sec. 110. LEGISLATURE**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION.....	\$	(500,000)
Total interdepartmental grants and intradepartmental transfers .....		0
ADJUSTED GROSS APPROPRIATION.....	\$	(500,000)
Total federal revenues .....		0
Total local revenues .....		0
Total private revenues.....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	(500,000)

**(2) LEGISLATIVE COUNCIL**

Legislative council.....	\$	(500,000)
GROSS APPROPRIATION.....	\$	(500,000)
Appropriated from:		
State general fund/general purpose .....	\$	(500,000)

**Sec. 111. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION.....	\$	1,760,600
Total interdepartmental grants and intradepartmental transfers .....		0



		For Fiscal Year Ending Sept. 30, 2006
ADJUSTED GROSS APPROPRIATION.....	\$	1,760,600
Total federal revenues .....		785,600
Total local revenues .....		0
Total private revenues.....		75,000
Total other state restricted revenues .....		(1,000,000)
State general fund/general purpose .....	\$	1,900,000
<b>(2) GRAND RAPIDS VETERANS' HOME</b>		
Grand Rapids veterans' home .....	\$	1,250,600
Board of managers .....		75,000
GROSS APPROPRIATION.....	\$	1,325,600
Appropriated from:		
Federal revenues:		
HHS, Medicare.....		350,600
Special revenue funds:		
Income and assessments .....		(1,000,000)
Private - veterans' home post and posthumous funds .....		75,000
State general fund/general purpose .....	\$	1,900,000
<b>(3) D.J. JACOBETTI VETERANS' HOME</b>		
D.J. Jacobetti veterans' home .....	\$	435,000
GROSS APPROPRIATION.....	\$	435,000
Appropriated from:		
Federal revenues:		
DVA-VHA .....		395,000
HHS, Medicare.....		40,000
State general fund/general purpose .....	\$	0

## **Sec. 112. DEPARTMENT OF NATURAL RESOURCES**

### **(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION.....	\$	600,000
Total interdepartmental grants and intradepartmental transfers .....		0
ADJUSTED GROSS APPROPRIATION.....	\$	600,000
Total federal revenues .....		0
Total local revenues .....		0
Total private revenues.....		0
Total other state restricted revenues .....		600,000
State general fund/general purpose .....	\$	0

### **(2) FOREST, MINERAL, AND FIRE MANAGEMENT**

Forest fire protection.....	\$	400,000
Forest and timber treatments.....		200,000
GROSS APPROPRIATION.....	\$	600,000
Appropriated from:		
Special revenue funds:		
Forest development fund .....		600,000
State general fund/general purpose .....	\$	0

## **Sec. 113. DEPARTMENT OF STATE**

### **(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION.....	\$	500,000
Total interdepartmental grants and intradepartmental transfers .....		0
ADJUSTED GROSS APPROPRIATION.....	\$	500,000
Total federal revenues .....		500,000
Total local revenues .....		0
Total private revenues.....		0
Total other state restricted revenues .....		(6,500,000)
State general fund/general purpose .....	\$	6,500,000

### **(2) REGULATORY SERVICES**

Operations .....	\$	0
GROSS APPROPRIATION.....	\$	0

Appropriated from:		
Special revenue funds:		
Transportation administration collection fund .....	\$	(6,500,000)
State general fund/general purpose .....	\$	6,500,000
<b>(3) ELECTION REGULATION</b>		
Help America vote act - voting access for individuals with disabilities.....	\$	500,000
GROSS APPROPRIATION .....	\$	500,000
Appropriated from:		
Federal revenues:		
Federal funds .....		500,000
State general fund/general purpose .....	\$	0

#### **Sec. 114. DEPARTMENT OF STATE POLICE**

##### **(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	0
Total interdepartmental grants and intradepartmental transfers .....		0
ADJUSTED GROSS APPROPRIATION .....	\$	0
Total federal revenues .....		0
Total local revenues .....		0
Total private revenues.....		0
Total other state restricted revenues .....		4,100,000
State general fund/general purpose .....	\$	(4,100,000)

##### **(2) UNIFORM SERVICES**

At-post troopers.....	\$	0
GROSS APPROPRIATION .....	\$	0
Appropriated from:		
Special revenue funds:		
Traffic law enforcement and safety fund .....		4,100,000
State general fund/general purpose .....	\$	(4,100,000)

#### **Sec. 115. DEPARTMENT OF TREASURY**

##### **(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	100,000
Total interdepartmental grants and intradepartmental transfers .....		0
ADJUSTED GROSS APPROPRIATION .....	\$	100,000
Total federal revenues .....		0
Total local revenues .....		0
Total private revenues.....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	100,000

##### **(2) MICHIGAN STRATEGIC FUND**

Michigan promotion program .....	\$	100,000
GROSS APPROPRIATION .....	\$	100,000
Appropriated from:		
State general fund/general purpose .....	\$	100,000

## **PART 2**

### **PROVISIONS CONCERNING APPROPRIATIONS**

#### **GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2005-2006 is \$75,097,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is \$0.

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

## **CAPITAL OUTLAY**

Sec. 250. The appropriation for the University of Michigan - Ann Arbor - Phoenix laboratory contained in part 1 shall not be allocated until the joint capital outlay subcommittee approves the project.

## **DEPARTMENT OF STATE**

Sec. 301. The funds appropriated in part 1 to the department of state, help America vote act - voting access for individuals with disabilities, are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered or unallotted funds shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$500,000.00 and the tentative completion date is September 30, 2007.

## **DEPARTMENT OF STATE POLICE**

Sec. 401. For the fiscal year ending September 30, 2006, surplus funds of \$6,000,000.00 in the state services fee fund are hereby appropriated to the traffic law enforcement and safety fund.

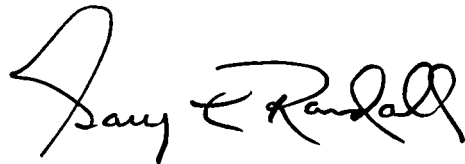
## **DEPARTMENT OF TREASURY**

Sec. 501. From the funds appropriated in part 1 for the Michigan promotion program, \$100,000.00 shall be allocated to promote the Detroit zoological institute. These funds are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered or unallotted funds shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$100,000.00 and the tentative completion date is September 30, 2007.

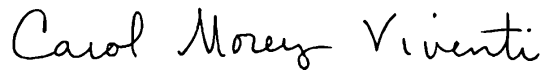
## **REPEALER**

Sec. 1001. Section 301 of 2006 PA 153 is repealed.

This act is ordered to take immediate effect.



.....  
Clerk of the House of Representatives



.....  
Secretary of the Senate

Approved .....

.....  
Governor