

**SUBSTITUTE FOR
HOUSE BILL NO. 5344**

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2008; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2008, from the following funds:

APPROPRIATION SUMMARY

Full-time equated classified positions.....	15.0	
GROSS APPROPRIATION.....	\$	145,694,100

1	Total interdepartmental grants and intradepartmental		
2	transfers		0
3	ADJUSTED GROSS APPROPRIATION.....	\$	145,694,100
4	Total federal revenues.....		74,087,400
5	Total local revenues.....		2,310,300
6	Total private revenues.....		0
7	Total other state restricted revenues.....		21,354,600
8	State general fund/general purpose.....	\$	47,941,800

9 **Sec. 102. DEPARTMENT OF AGRICULTURE**

10 **(1) APPROPRIATION SUMMARY**

11	GROSS APPROPRIATION.....	\$	1,000,000
12	Total interdepartmental grants and intradepartmental		
13	transfers		0
14	ADJUSTED GROSS APPROPRIATION.....	\$	1,000,000
15	Total federal revenues.....		0
16	Total local revenues.....		0
17	Total private revenues.....		0
18	Total other state restricted revenues.....		0
19	State general fund/general purpose.....	\$	1,000,000

20 **(2) ENVIRONMENTAL STEWARDSHIP**

21	Cooperative resources management initiative program..	\$	<u>1,000,000</u>
22	GROSS APPROPRIATION.....	\$	1,000,000
23	Appropriated from:		
24	State general fund/general purpose.....	\$	1,000,000

25 **Sec. 103. DEPARTMENT OF COMMUNITY HEALTH**

1 **(1) APPROPRIATION SUMMARY**

2	GROSS APPROPRIATION.....	\$	137,615,300
3	Total interdepartmental grants and intradepartmental		
4	transfers		0
5	ADJUSTED GROSS APPROPRIATION.....	\$	137,615,300
6	Total federal revenues.....		59,009,300
7	Total local revenues.....		1,198,400
8	Total private revenues.....		0
9	Total other state restricted revenues.....		41,206,400
10	State general fund/general purpose.....	\$	36,201,200

11 **(2) HEALTH POLICY, REGULATION, AND PROFESSIONS**

12	Primary care services.....	\$	<u>85,800</u>
13	GROSS APPROPRIATION.....	\$	85,800
14	Appropriated from:		
15	State general fund/general purpose.....	\$	85,800

16 **(3) FAMILY, MATERNAL, AND CHILDREN'S HEALTH**

17 **SERVICES**

18	Special projects.....	\$	<u>25,000</u>
19	GROSS APPROPRIATION.....	\$	25,000
20	Appropriated from:		
21	State general fund/general purpose.....	\$	25,000

22 **(4) MEDICAL SERVICES**

23	Hospital services and therapy.....	\$	60,821,000
24	Long-term care services.....		360,000
25	Health plan services.....		40,383,900
26	Subtotal basic medical services program.....		101,564,900
27	School-based services.....		35,939,600

1	Subtotal special medical services payments		<u>35,939,600</u>
2	GROSS APPROPRIATION	\$	137,504,500
3	Appropriated from:		
4	Federal revenues:		
5	Total federal revenues		59,009,300
6	Special revenue funds:		
7	Total local revenues		1,198,400
8	Total other state restricted revenues		41,206,400
9	State general fund/general purpose	\$	36,090,400
10	Sec. 104. DEPARTMENT OF EDUCATION		
11	(1) APPROPRIATION SUMMARY		
12	Full-time equated classified positions..... 6.0		
13	GROSS APPROPRIATION	\$	3,322,400
14	Total interdepartmental grants and intradepartmental		
15	transfers		0
16	ADJUSTED GROSS APPROPRIATION	\$	3,322,400
17	Total federal revenues		3,322,400
18	Total local revenues		0
19	Total private revenues		0
20	Total other state restricted revenues		0
21	State general fund/general purpose	\$	0
22	(2) EDUCATIONAL ASSESSMENT AND ACCOUNTABILITY		
23	Full-time equated classified positions..... 6.0		
24	Educational assessment operations--6.0 FTE positions .	\$	<u>3,322,400</u>
25	GROSS APPROPRIATION	\$	3,322,400
26	Appropriated from:		

1	Federal revenues:		
2	Federal revenues.....		3,322,400
3	State general fund/general purpose.....	\$	0
4	Sec. 105. DEPARTMENT OF ENVIRONMENTAL QUALITY		
5	(1) APPROPRIATION SUMMARY		
6	GROSS APPROPRIATION.....	\$	250,000
7	Total interdepartmental grants and intradepartmental		
8	transfers		0
9	ADJUSTED GROSS APPROPRIATION.....	\$	250,000
10	Total federal revenues.....		0
11	Total local revenues.....		0
12	Total private revenues.....		0
13	Total other state restricted revenues.....		(10,750,000)
14	State general fund/general purpose.....	\$	11,000,000
15	(2) GRANTS		
16	Real-time water quality monitoring.....	\$	<u>250,000</u>
17	GROSS APPROPRIATION.....	\$	250,000
18	Appropriated from:		
19	Special revenue funds:		
20	Settlement funds.....		250,000
21	State general fund/general purpose.....	\$	0
22	(3) AIR QUALITY		
23	Air quality programs.....	\$	<u>0</u>
24	GROSS APPROPRIATION.....	\$	0
25	Appropriated from:		
26	Special revenue funds:		

1	Air emissions fees.....	(3,527,400)
2	State general fund/general purpose.....	\$ 3,527,400
3	(4) ENVIRONMENTAL SCIENCE AND SERVICES DIVISION	
4	Pollution prevention and technical assistance.....	\$ <u>0</u>
5	GROSS APPROPRIATION.....	\$ 0
6	Appropriated from:	
7	Special revenue funds:	
8	Air emissions fees.....	(377,600)
9	Waste reduction fee revenue.....	(175,200)
10	State general fund/general purpose.....	\$ 552,800
11	(5) OFFICE OF GEOLOGICAL SURVEY	
12	Mineral wells management.....	\$ <u>0</u>
13	GROSS APPROPRIATION.....	\$ 0
14	Appropriated from:	
15	Special revenue funds:	
16	Mineral well regulatory fee revenue.....	(75,000)
17	State general fund/general purpose.....	\$ 75,000
18	(6) LAND AND WATER MANAGEMENT	
19	Field permitting and project assistance.....	\$ 0
20	Great Lakes shorelands.....	<u>0</u>
21	GROSS APPROPRIATION.....	\$ 0
22	Appropriated from:	
23	Special revenue funds:	
24	Land and water permit fees.....	(2,965,000)
25	State general fund/general purpose.....	\$ 2,965,000
26	(7) WASTE AND HAZARDOUS MATERIALS	
27	Hazardous waste management program.....	\$ 0

1	Solid waste management program.....		<u>0</u>
2	GROSS APPROPRIATION.....	\$	0
3	Appropriated from:		
4	Special revenue funds:		
5	Environmental pollution prevention fund.....		(1,066,900)
6	Solid waste program fees.....		(510,500)
7	State general fund/general purpose.....	\$	1,577,400
8	(8) WATER		
9	Drinking water and environmental health.....	\$	0
10	Groundwater discharge.....		<u>0</u>
11	GROSS APPROPRIATION.....	\$	0
12	Appropriated from:		
13	Special revenue funds:		
14	Groundwater discharge permit fees.....		(1,709,900)
15	On-site wastewater treatment program fund.....		(592,500)
16	State general fund/general purpose.....	\$	2,302,400
17	Sec. 106. HIGHER EDUCATION		
18	(1) APPROPRIATION SUMMARY		
19	GROSS APPROPRIATION.....	\$	(9,700,000)
20	Total interdepartmental grants and intradepartmental		
21	transfers		0
22	ADJUSTED GROSS APPROPRIATION.....	\$	(9,700,000)
23	Total federal revenues.....		0
24	Total local revenues.....		0
25	Total private revenues.....		0
26	Total other state restricted revenues.....		(9,700,000)

1	State general fund/general purpose	\$	0
2	(2) GRANTS AND FINANCIAL AID		
3	Michigan merit award program	\$	(7,700,000)
4	Michigan promise grant program		<u>(2,000,000)</u>
5	GROSS APPROPRIATION	\$	(9,700,000)
6	Appropriated from:		
7	Special revenue funds:		
8	Michigan merit award trust fund		(9,700,000)
9	State general fund/general purpose	\$	0
10	Sec. 107. DEPARTMENT OF HUMAN SERVICES		
11	(1) APPROPRIATION SUMMARY		
12	GROSS APPROPRIATION	\$	26,373,700
13	Total interdepartmental grants and intradepartmental		
14	transfers		0
15	ADJUSTED GROSS APPROPRIATION	\$	26,373,700
16	Total federal revenues		11,755,700
17	Total local revenues		622,400
18	Total private revenues		0
19	Total other state restricted revenues		(570,000)
20	State general fund/general purpose	\$	14,565,600
21	(2) COMMUNITY ACTION AND ECONOMIC OPPORTUNITY		
22	Community services block grant	\$	<u>300,000</u>
23	GROSS APPROPRIATION	\$	300,000
24	Appropriated from:		
25	State general fund/general purpose	\$	300,000
26	(3) ADULT AND FAMILY SERVICES		

1	Nutrition education.....	\$	<u>9,688,400</u>
2	GROSS APPROPRIATION.....	\$	9,688,400
3	Appropriated from:		
4	Federal revenues:		
5	Total federal revenues.....		9,688,400
6	State general fund/general purpose.....	\$	0
7	(4) CHILDREN'S SERVICES		
8	Foster care payments.....	\$	5,172,100
9	Adoption support services.....		<u>213,100</u>
10	GROSS APPROPRIATION.....	\$	5,385,200
11	Appropriated from:		
12	Federal revenues:		
13	Total federal revenues.....		2,067,300
14	Special revenue funds:		
15	Local funds - county chargeback.....		622,400
16	State general fund/general purpose.....	\$	2,695,500
17	(5) JUVENILE JUSTICE SERVICES		
18	Child care fund.....	\$	<u>838,600</u>
19	GROSS APPROPRIATION.....	\$	838,600
20	Appropriated from:		
21	State general fund/general purpose.....	\$	838,600
22	(6) LOCAL OFFICE STAFF AND OPERATIONS		
23	Field staff, salaries and wages.....	\$	<u>161,500</u>
24	GROSS APPROPRIATION.....	\$	161,500
25	Appropriated from:		
26	State general fund/general purpose.....	\$	161,500
27	(7) OFFICE OF CHILDREN AND ADULT LICENSING		

1	AFC, children's welfare and day care licensure	\$	<u>0</u>
2	GROSS APPROPRIATION.....	\$	0
3	Appropriated from:		
4	Special revenue funds:		
5	Licensing fees.....		(186,500)
6	Health systems fees and collections.....		(383,500)
7	State general fund/general purpose.....	\$	570,000
8	(8) PUBLIC ASSISTANCE		
9	Day care services.....	\$	10,000,000
10	Homeless shelter contracts.....		(11,646,700)
11	Homeless programs.....		<u>11,646,700</u>
12	GROSS APPROPRIATION.....	\$	10,000,000
13	Appropriated from:		
14	State general fund/general purpose.....	\$	10,000,000
15	Sec. 108. JUDICIARY		
16	(1) APPROPRIATION SUMMARY		
17	GROSS APPROPRIATION.....	\$	489,500
18	Total interdepartmental grants and intradepartmental		
19	transfers		0
20	ADJUSTED GROSS APPROPRIATION.....	\$	489,500
21	Total federal revenues.....		0
22	Total local revenues.....		489,500
23	Total private revenues.....		0
24	Total other state restricted revenues.....		0
25	State general fund/general purpose.....	\$	0
26	(2) SUPREME COURT		

1	Direct trial court automation support	\$	<u>489,500</u>
2	GROSS APPROPRIATION.....	\$	489,500
3	Appropriated from:		
4	Special revenue funds:		
5	Local - user fees.....		489,500
6	State general fund/general purpose.....	\$	0
7	Sec. 109. DEPARTMENT OF LABOR AND ECONOMIC GROWTH		
8	(1) APPROPRIATION SUMMARY		
9	Full-time equated classified positions..... 4.0		
10	GROSS APPROPRIATION.....	\$	168,200
11	Total interdepartmental grants and intradepartmental		
12	transfers		0
13	ADJUSTED GROSS APPROPRIATION.....	\$	168,200
14	Total federal revenues.....		0
15	Total local revenues.....		0
16	Total private revenues.....		0
17	Total other state restricted revenues.....		168,200
18	State general fund/general purpose.....	\$	0
19	(2) OFFICE OF FINANCIAL AND INSURANCE SERVICES		
20	Full-time equated classified positions..... 4.0		
21	Financial evaluation--4.0 FTE positions.....	\$	<u>168,200</u>
22	GROSS APPROPRIATION.....	\$	168,200
23	Appropriated from:		
24	Special revenue funds:		
25	Consumer finance fees.....		168,200
26	State general fund/general purpose.....	\$	0

1 **Sec. 110. DEPARTMENT OF NATURAL RESOURCES**

2 **(1) APPROPRIATION SUMMARY**

3	Full-time equated classified positions.....	5.0	
4	GROSS APPROPRIATION.....		\$ 1,175,000
5	Total interdepartmental grants and intradepartmental		
6	transfers		0
7	ADJUSTED GROSS APPROPRIATION.....		\$ 1,175,000
8	Total federal revenues.....		0
9	Total local revenues.....		0
10	Total private revenues.....		0
11	Total other state restricted revenues.....		0
12	State general fund/general purpose.....		\$ 1,175,000

13 **(2) LAND AND FACILITIES**

14	Lake level control.....		\$ <u>25,000</u>
15	GROSS APPROPRIATION.....		\$ 25,000
16	Appropriated from:		
17	State general fund/general purpose.....		\$ 25,000

18 **(3) FOREST, MINERAL, AND FIRE MANAGEMENT**

19	Full-time equated classified positions.....	5.0	
20	Wildfire protection--5.0 FTE positions.....		\$ 500,000
21	Forest recreation and trails.....		<u>500,000</u>
22	GROSS APPROPRIATION.....		\$ 1,000,000
23	Appropriated from:		
24	State general fund/general purpose.....		\$ 1,000,000

25 **(4) WILDLIFE MANAGEMENT**

26	Cormorant population control.....		\$ <u>150,000</u>
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1	GROSS APPROPRIATION.....	\$	150,000
2	Appropriated from:		
3	State general fund/general purpose.....	\$	150,000
4	Sec. 111. DEPARTMENT OF STATE POLICE		
5	(1) APPROPRIATION SUMMARY		
6	GROSS APPROPRIATION.....	\$	3,000,000
7	Total interdepartmental grants and intradepartmental		
8	transfers		0
9	ADJUSTED GROSS APPROPRIATION.....	\$	3,000,000
10	Total federal revenues.....		0
11	Total local revenues.....		0
12	Total private revenues.....		0
13	Total other state restricted revenues.....		0
14	State general fund/general purpose.....	\$	3,000,000
15	(2) FORENSIC SCIENCES		
16	Laboratory operations.....	\$	<u>2,000,000</u>
17	GROSS APPROPRIATION.....	\$	2,000,000
18	Appropriated from:		
19	State general fund/general purpose.....	\$	2,000,000
20	(3) POST UNIFORM SERVICES		
21	At-post troopers.....	\$	<u>1,000,000</u>
22	GROSS APPROPRIATION.....	\$	1,000,000
23	Appropriated from:		
24	State general fund/general purpose.....	\$	1,000,000
25	Sec. 112. DEPARTMENT OF TRANSPORTATION		

1 **(1) APPROPRIATION SUMMARY**

2	GROSS APPROPRIATION.....	\$	1,000,000
3	Total interdepartmental grants and intradepartmental		
4	transfers		0
5	ADJUSTED GROSS APPROPRIATION.....	\$	1,000,000
6	Total federal revenues.....		0
7	Total local revenues.....		0
8	Total private revenues.....		0
9	Total other state restricted revenues.....		1,000,000
10	State general fund/general purpose.....	\$	0

11 **(2) PUBLIC TRANSPORTATION DEVELOPMENT**

12	Bus capital.....	\$	<u>1,000,000</u>
13	GROSS APPROPRIATION.....	\$	1,000,000
14	Appropriated from:		
15	Special revenue funds:		
16	Comprehensive transportation fund.....		1,000,000
17	State general fund/general purpose.....	\$	0

18 **Sec. 113. DEPARTMENT OF TREASURY**

19 **(1) APPROPRIATION SUMMARY**

20	GROSS APPROPRIATION.....	\$	(19,000,000)
21	Total interdepartmental grants and intradepartmental		
22	transfers		0
23	ADJUSTED GROSS APPROPRIATION.....	\$	(19,000,000)
24	Total federal revenues.....		0
25	Total local revenues.....		0
26	Total private revenues.....		0

1	Total other state restricted revenues	0
2	State general fund/general purpose	\$ (19,000,000)
3	(2) DEBT SERVICES	
4	Quality of life bond.....	\$ (8,000,000)
5	Clean Michigan initiative.....	(18,000,000)
6	Great lakes water quality bond.....	<u>(4,000,000)</u>
7	GROSS APPROPRIATION.....	\$ (30,000,000)
8	Appropriated from:	
9	State general fund/general purpose	\$ (30,000,000)
10	(3) GRANTS	
11	Presidential primary.....	\$ <u>10,000,000</u>
12	GROSS APPROPRIATION.....	\$ 10,000,000
13	Appropriated from:	
14	State general fund/general purpose	\$ 10,000,000
15	(4) MICHIGAN STRATEGIC FUND	
16	Business incubator - Macomb County.....	\$ 500,000
17	Business incubator - Washtenaw County.....	<u>500,000</u>
18	GROSS APPROPRIATION.....	\$ 1,000,000
19	Appropriated from:	
20	State general fund/general purpose	\$ 1,000,000

21 PART 2

22 PROVISIONS CONCERNING APPROPRIATIONS

23 GENERAL SECTIONS

24 Sec. 201. In accordance with the provisions of section 30 of
 25 article IX of the state constitution of 1963, total state spending

1 from state resources in this appropriation act for the fiscal year
2 ending September 30, 2008 is \$69,296,400.00 and state
3 appropriations paid to local units of government are
4 \$12,000,000.00.

5 Sec. 202. The appropriations made and expenditures authorized
6 under this act and the departments, commissions, boards, offices,
7 and programs for which appropriations are made under this act are
8 subject to the management and budget act, 1984 PA 431, MCL 18.1101
9 to 18.1594.

10 **DEPARTMENT OF COMMUNITY HEALTH**

11 Sec. 401. From the funds appropriated in part 1 for primary
12 care services, an amount not to exceed \$2,228,100.00 is
13 appropriated to enhance the service capacity of the federally
14 qualified health centers and other health centers which are similar
15 to federally qualified health centers.

16 Sec. 404. (1) The department shall create 2 pools for
17 distribution of disproportionate share hospital funding. The first
18 pool, totaling \$45,000,000.00, shall be distributed using the
19 distribution methodology used in fiscal year 2003-2004. The second
20 pool, totaling \$5,000,000.00, shall be distributed to unaffiliated
21 hospitals and hospital systems that received less than \$900,000.00
22 in disproportionate share hospital payments in fiscal year 2003-
23 2004 based on a formula that is weighted proportional to the
24 product of each eligible system's Medicaid revenue and each
25 eligible system's Medicaid utilization.

26 (2) By September 30, 2008, the department shall report to the

1 senate and house appropriations subcommittees on community health
2 and the senate and house fiscal agencies on the new distribution of
3 funding to each eligible hospital from the 2 pools.

4 Sec. 406. (1) Subject to subsection (2), from the funds
5 appropriated in part 1 for long-term care services, the department
6 of community health shall contract with a stand-alone psychiatric
7 facility that provides at least 20% of its total care to Medicaid
8 recipients to provide access to Medicaid recipients who require
9 specialized Alzheimer's disease or dementia care.

10 (2) The department of community health shall ensure that funds
11 under this section are only used to provide services to individuals
12 served in fiscal year 2006-2007.

13 (3) The department of community health shall report to the
14 senate and house appropriations subcommittees on community health
15 and the senate and house fiscal agencies on the effectiveness of
16 the contract required under subsection (1) to improve the quality
17 of services to Medicaid recipients.

18 **DEPARTMENT OF CORRECTIONS**

19 Sec. 408. (1) The timetables and processes described in
20 subsection (2) shall be used by the department of corrections to
21 implement the statutory changes to the special alternative
22 incarceration program components described in Enrolled House Bill
23 No. 4184 of the 94th Legislature.

24 (2) The timetable for new enrollees in the special alternative
25 incarceration program to fully participate in the Michigan prisoner
26 reentry initiative is as follows:

1 (a) B prefix prisoners no later than May 1, 2008.

2 (b) A prefix prisoners no later than August 1, 2008.

3 (c) Probationers no later than September 1, 2008.

4 Sec. 409. The following timetables and processes shall be used
5 by the department of corrections to implement the statutory changes
6 to the special alternative incarceration program evaluation studies
7 described in Enrolled House Bill No. 4184 of the 94th Legislature:

8 (a) All evaluations of the program will be completed by
9 independent third-party evaluators.

10 (b) Beginning May 1, 2008, a process evaluation shall be
11 performed that measures the progress of program redesign efforts.

12 (c) Not later than September 30, 2008, evaluations of special
13 alternative incarceration program graduates' technical parole
14 violations, revictimization, and return to prison shall be
15 instituted for B prefix former prisoners, for A prefix former
16 prisoners, and for probationers following their termination or
17 graduation from the program.

18 **DEPARTMENT OF EDUCATION**

19 Sec. 411. From the unexpended balances of appropriations for
20 educational assessment and accountability operations for the fiscal
21 year ending September 30, 2008, up to \$3,000,000.00 may be carried
22 forward as a work project and expended for a testing item bank
23 system. The work shall be carried out by state employees, or by
24 contract as necessary, at an estimated cost of \$3,000,000.00. The
25 estimated completion date of the work is September 30, 2009.

1 **DEPARTMENT OF ENVIRONMENTAL QUALITY**

2 Sec. 421. The appropriation in part 1 for real-time water
3 quality monitoring is a grant to Macomb County and Huron-Erie
4 corridor to support a real-time water quality monitoring program in
5 the St. Clair watershed. Not later than September 30, 2008, grant
6 recipients shall report to the department of environmental quality
7 on the program's implementation and status. The department of
8 environmental quality shall forward the report to the state budget
9 director, the senate and house appropriations subcommittees on
10 environmental quality, the senate and house standing committees on
11 natural resources and environmental issues, and the senate and
12 house fiscal agencies. Funding is contingent upon development of a
13 department of environmental quality approved plan for long-term
14 funding of operation and maintenance of the real-time monitoring
15 system for the Huron-Erie corridor.

16 **DEPARTMENT OF HUMAN SERVICES**

17 Sec. 451. From the funds appropriated in part 1 for day care
18 services, up to \$8,309,800.00 shall be available for day care
19 provider rate increases and up to \$1,690,200.00 shall be available
20 for administration of the program.

21 Sec. 452. (1) Subject to subsection (3), beginning October 1,
22 2007, preference shall be given in the provision of direct foster
23 care services to public and private agencies that are nationally
24 accredited.

25 (2) Contracts with licensed child placing agencies shall
26 include specific performance and incentive measures with a focus on

1 achieving permanency placement for children in foster care.

2 (3) Beginning October 1, 2007, the department shall not enter
3 into or maintain a contract with a for-profit child placing agency,
4 or with a nonprofit child placing agency that uses a for-profit
5 management group or contracts with a for-profit organization for
6 its management, to provide direct foster care services unless the
7 agency was licensed on or before August 1, 2007 and, if the agency
8 is a nonprofit child placing agency that uses a for-profit
9 management group or contracts with a for-profit organization for
10 its management, the contract with the for-profit group or
11 organization existed prior to August 1, 2007.

12 Sec. 453. (1) The goal of high security juvenile services
13 funded in part 1 shall be to protect the general public from
14 dangerous juvenile offenders while providing rehabilitation
15 services to those offenders to safely prepare them for entry into
16 society.

17 (2) The department shall take into consideration the
18 recommendations on a methodology for measuring goals, objectives,
19 and performance standards developed in conjunction with private
20 providers of juvenile justice residential programs required in
21 section 705 of 2004 PA 344.

22 (3) The department shall allocate money to public and private
23 providers of high security juvenile services based on their ability
24 to demonstrate results in all of the following:

- 25 (a) Lower recidivism rates.
26 (b) Higher school completion rates or GED completion rates.
27 (c) Shorter average stays in a residential facility.

1 (d) Lower average actual cost per resident.

2 (e) Availability of appropriate services to residents.

3 (4) The department shall comply with section 115o of the
4 social welfare act, 1939 PA 280, MCL 400.115o, regarding placement
5 of juvenile offenders, and shall refer to that statutory
6 requirement in making referral recommendations to courts for secure
7 residential programs.

8 (5) The department shall require, if possible and practical,
9 that aftercare services for a juvenile offender be provided by the
10 same organization or provider that provided residential care for
11 that juvenile.

12 Sec. 454. (1) The goal of medium security juvenile services
13 shall be effective treatment of juvenile offenders to safely
14 prepare them for entry into society.

15 (2) The department shall allocate money to public and private
16 providers of medium security juvenile services based on their
17 ability to demonstrate results in all of the following:

18 (a) Reduced rates of recidivism.

19 (b) Higher rates of high school or GED completion.

20 (c) Shorter average stays in a residential facility.

21 (d) Availability of appropriate services to residents.

22 (e) Lower average actual cost per resident.

23 (3) The department shall comply with section 115o of the
24 social welfare act, 1939 PA 280, MCL 400.115o, regarding the
25 placement of juvenile offenders, and shall refer to that statutory
26 requirement in making referral recommendations to courts for
27 residential treatment programs.

1 (4) The department shall require, if possible and practical,
2 that aftercare services for a juvenile offender be provided by the
3 same program or provider that provided treatment for the juvenile
4 in residential care.

5 (5) The department shall provide for the transfer of medium
6 security services equivalent to 80 beds at the W. J. Maxey boys
7 training school, and shall provide for the placement of juvenile
8 offenders who need those services in community-based or privately
9 operated facilities. The transfer and placements shall be completed
10 by May 1, 2008 if community based or privately operated facilities
11 have capacity for the new placements by that date.

12 Sec. 455. (1) The goal of community juvenile justice centers
13 shall be the effective treatment and rehabilitation of juvenile
14 offenders in appropriate community settings.

15 (2) The department shall allocate money to public providers of
16 juvenile justice day programs based on their ability to demonstrate
17 results in all of the following:

- 18 (a) Reduced rates of recidivism.
- 19 (b) Higher rates of high school or GED completion.
- 20 (c) Availability of appropriate services to offenders.
- 21 (d) Lower average actual cost per resident.
- 22 (e) Shorter average stays in a residential facility.

23 Sec. 456. A private provider of juvenile services may receive
24 funding for services of different security levels if the provider
25 has appropriate services for each security level and adequate
26 measures to physically separate residents of each security level.

27 Sec. 457. (1) Beginning October 1, 2007, from the money

1 appropriated in part 1 of 2007 PA 131 for foster care payments,
2 Wayne County foster care payments, and child care fund, the
3 department shall not enter into or maintain a contract with a for-
4 profit provider of residential services for juvenile justice and
5 abused or neglected youth, or with a nonprofit provider of
6 residential services for juvenile justice and abused or neglected
7 youth that uses a for-profit management group or contracts with a
8 for-profit organization for its management, unless the provider was
9 licensed on or before August 1, 2007 and, if the provider is a
10 nonprofit provider of residential services for juvenile justice and
11 abused or neglected youth that uses a for-profit management group
12 or contacts with a for-profit organization for its management, the
13 contract between the provider and the for-profit group or
14 organization existed prior to August 1, 2007.

15 (2) Beginning October 1, 2007, from the money appropriated in
16 part 1 of 2007 PA 131 for foster care payments, Wayne County foster
17 care payments, and child care fund, the department shall pay a
18 provider of residential services for juvenile justice and abused or
19 neglected youth at daily rates that are 4.0% above the levels the
20 provider received during the fiscal year 2006-2007. A provider
21 shall not receive a daily rate below \$130.00 per day.

22 Sec. 458. From the money appropriated in part 1 of 2007 PA 131
23 for adoption support services, \$1,049,400.00 is allocated to
24 support new adoption contracts focusing on long-term permanent
25 wards who have been wards for more than 1 year after termination of
26 parental rights. Private agencies shall receive \$16,000.00 for each
27 finalized placement under the new program.

1 Sec. 459. (1) From the money appropriated in part 1 of 2007 PA
2 131 for foster care payments, \$2,500,000.00 is allocated to support
3 new contracts with private nonprofit child placing agencies to
4 facilitate the licensure of relative caregivers as foster parents.
5 Agencies shall receive \$2,300.00 for each facilitated licensure.
6 The private nonprofit agency facilitating the licensure would
7 retain the placement and continue to provide case management
8 services for at least 50% of the newly licensed cases for which the
9 placement was appropriate to the agency. Up to 50% of the newly
10 licensed cases would have direct foster care services provided by
11 the department.

12 (2) From the money appropriated in part 1 of 2007 PA 131 for
13 foster care payments, \$375,000.00 is allocated to support family
14 incentive grants to private and community-based foster care service
15 providers to assist with home improvements needed by foster
16 families to accommodate foster children.

17 Sec. 460. (1) Beginning October 1, 2007, from the funds
18 appropriated in part 1 of 2007 PA 131, the department shall
19 reimburse a private child placing agency for an adoption placement
20 or finalization at the following unit rate, as applicable,
21 depending on the category into which the placement falls under
22 subsection (2):

23 (a) For basic and standard, \$2,594.00 for a placement,
24 \$1,733.00 for a finalization.

25 (b) For enhanced, \$4,068.00 for a placement, \$2,712.00 for a
26 finalization.

27 (c) For premium, \$5,404.00 for a placement, \$3,603.00 for a

1 finalization.

2 (d) For residential, \$6,240.00 for a placement, \$4,160.00 for
3 a finalization.

4 (e) For I-MARE, \$4,368.00 for a placement, \$2,912.00 for a
5 finalization.

6 (f) For MARE, \$5,819.00 for a placement, \$3,879.00 for a
7 finalization.

8 (g) For preplacement, \$1,352.00 for basic or standard,
9 \$2,704.00 for enhanced.

10 (2) The following categories shall be used to determine which
11 unit rate is applicable under subsection (1):

12 (a) The residential category shall be used for a placement
13 that involves a child who was being cared for in a residential
14 child caring institution.

15 (b) The MARE category shall be used for a placement other than
16 an interagency placement in which the private agency used the
17 Michigan adoption resource exchange photo-listing system.

18 (c) The I-MARE category shall be used for an interagency
19 placement in which the private agency used the Michigan adoption
20 resource exchange photo-listing system.

21 (d) A placement to which subdivisions (a) to (c) do not apply
22 shall be reimbursed based on the length of time between the
23 termination of parental rights or case referral and the placement
24 as follows:

25 (i) The premium category shall be used if the placement is
26 achieved less than 6 months after the termination of parental
27 rights, or after the case referral to the agency if the case was

1 referred 3 months or more after termination.

2 (ii) The enhanced category shall be used if the placement is
3 achieved 6 months or more but less than 9 months after the
4 termination of parental rights, or after the case referral to the
5 agency if the case was referred 3 months or more after termination.

6 (iii) The basic and standard category shall be used if the
7 placement is achieved 9 months or more after the termination of
8 parental rights, or after the case referral to the agency if the
9 case was referred 3 months or more after termination.

10 (3) The department shall not establish a payment category or
11 unit rate other than those in this section and shall not expend
12 funds appropriated in part 1 for a payment that does not fall
13 within a payment category or unit rate structure established in
14 this section.

15 Sec. 461. The department will implement a \$25.00 annual fee
16 pursuant to title IV-D, section 454(6)(B)(ii) of the social security
17 act, 42 USC 651. The fee shall be deducted from support collected
18 on behalf of the individual. Fee revenues shall be used to
19 administer and operate the child support program under part D of
20 title IV of the social security act.

21 Sec. 462. Except as required by federal law or regulations,
22 funds appropriated in part 1 of 2007 PA 131 shall not be used to
23 provide public assistance to a person who is an illegal alien. This
24 section shall not prohibit the department from entering into
25 contracts with food banks, emergency shelter providers, or human
26 service agencies who may, as a normal part of doing business,
27 provide food or emergency shelter to individuals or human service

1 agencies that provide services to homeless individuals or families.

2 Sec. 463. As a condition of receipt of federal TANF funds,
3 homeless shelters and human service agencies shall collaborate with
4 the department to obtain necessary TANF eligibility information on
5 families as soon as possible after admitting a family to the
6 homeless shelter. From the funds appropriated in part 1 for
7 homeless programs, the department is authorized to make allocations
8 of TANF funds only to the agencies that report necessary data to
9 the department for the purpose of meeting TANF eligibility
10 reporting requirements. Homeless shelters that do not report
11 necessary data to the department for the purpose of meeting TANF
12 eligibility reporting requirements will not receive reimbursements
13 which exceed the per diem amount they received in fiscal year 2000.
14 The use of TANF funds under this section should not be considered
15 an ongoing commitment of funding.

16 Sec. 464. The state supplementation level under the
17 supplemental security income program for the personal care/adult
18 foster care and home for the aged categories shall not be reduced
19 below the level in effect on October 1, 2006. The legislature shall
20 be notified not less than 30 days before any proposed reduction in
21 the state supplementation level.

22 Sec. 465. The department of human services shall review and
23 may adjust daily per diem rates to providers of high-secure
24 juvenile services in recognition of added complex services.

25 **DEPARTMENT OF LABOR AND ECONOMIC GROWTH**

26 Sec. 501. (1) The appropriation in part 1 for the Michigan

1 commission for the blind includes funds for case services. These
2 funds may be used for tuition payments for blind clients for the
3 school year beginning September 2004.

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

7 Sec. 502. (1) The amount of \$2,163,400.00 in the housing and
8 community development fund is hereby appropriated and may be
9 expended by the state housing development authority as provided in
10 sections 58c and 58d of the state housing development authority act
11 of 1966, 1966 PA 346, MCL 125.1458c and 125.1458d.

12 (2) The state housing development authority shall report by
13 May 1 to the senate and house standing committees on appropriations
14 subcommittees on economic development, the senate and house fiscal
15 agencies, and the state budget office on the status of the projects
16 described in subsection (1), including the statewide allocation
17 plan, the number of applicants, amounts requested, description of
18 projects, amounts rewarded, number of housing units that have been
19 or are projected to be created, and income levels of the households
20 that have been or are projected to be served.

21 **DEPARTMENT OF MANAGEMENT AND BUDGET**

22 Sec. 521. The department of management and budget shall
23 contract with an experienced performance review company to conduct
24 performance reviews of state departments. The contract shall be
25 done on a contingency basis and the reviews shall be concluded
26 within 180 days of the issuance of the contract. Performance

1 enhancement recommendations shall be submitted to the director of
2 the department of management and budget and to the members of the
3 senate and house appropriations committees.

4 **DEPARTMENT OF NATURAL RESOURCES**

5 Sec. 551. The appropriation in part 1 for cormorant control
6 shall be used to enter into a partnership agreement with the United
7 States department of agriculture, wildlife services agency to
8 provide for additional control activities in areas of this state
9 most affected by the double-crested cormorant, and that agreement
10 shall contain conditions requiring the United States department of
11 agriculture to document that the state appropriation was used to
12 control double-crested cormorants within Michigan boundary waters
13 in sufficient detail to allow verification by the legislative
14 auditor general.

15 **DEPARTMENT OF TRANSPORTATION**

16 Sec. 571. For the fiscal year ending September 30, 2008, there
17 is appropriated from the state general fund \$1,000,000.00 to the
18 comprehensive transportation fund created in section 10e of 1951 PA
19 51, MCL 247.660e, to be used to match federal funds for local bus
20 capital projects.

21 **DEPARTMENT OF TREASURY**

22 Sec. 601. It is the intent of the legislature that the
23 department of treasury implement a cigarette stamping program
24 utilizing new digital stamping technology.

1 MICHIGAN STRATEGIC FUND

2 Sec. 610. (1) The appropriation in part 1 of 2007 PA 127 to
3 the fund for the economic development job training program is
4 focused on skills businesses need to compete in the twenty-first
5 century. The purpose of this program is to develop a specific
6 skill, identified for a particular business that assists that
7 company to compete in the global economy and to create or retain
8 high-paying jobs for Michigan residents.

9 (2) Not more than \$800,000.00 of the total appropriation in
10 part 1 may be expended for administrative costs by the fund. Not
11 more than 10% of the total grant award may be expended by a
12 recipient for administration costs.

13 (3) No funds appropriated in part 1 of 2007 PA 127 to the fund
14 for the economic development job training program grants may be
15 expended for the training of permanent striker replacement workers,
16 unless a strike exceeds 3 years and good faith negotiations are
17 ongoing.

18 (4) Of the total funds appropriated in part 1 of 2007 PA 127
19 for the economic development job training program grants,
20 \$4,500,000.00 of the funds shall be awarded to community colleges
21 or a consortium of community colleges and other eligible applicants
22 pursuant to subsection (5). Remaining funds may be awarded to any
23 of the entities listed in subsection (5) or businesses which create
24 at least 100 new jobs at a single location in a period not to
25 exceed 2 years from the date of the grant award.

26 (5) An applicant may be a school district, intermediate school
27 district, community college, public or private nonprofit college or

1 university, nonprofit organization whose primary purpose is to
2 provide education programs or employment and training services or
3 vocational rehabilitation programs or school-to-work transition
4 programs, local workforce development board, the headquarters of a
5 federal and state-sponsored manufacturing technology center, or a
6 consortium consisting of any combination of school districts,
7 intermediate school districts, community colleges, nonprofit
8 organizations described in this subsection, or public or private
9 nonprofit colleges or universities described in this subsection or
10 businesses which meet the criteria set in subsection (4).

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

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

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

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

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

27 (d) A commitment to maintain participant records in a form and

1 manner required by the fund.

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

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

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

7 (b) Creation and/or retention of high wage and high skilled
8 level jobs within a predetermined time period. For grants to
9 businesses permitted under subsection (4), if the business does not
10 create or retain the number of jobs specified within the
11 predetermined time period, the business shall reimburse the state
12 for the amount of the grant equal to the percentage difference
13 between the number of jobs the business committed to create or
14 retain and the number actually created or retained. The number of
15 jobs created and retained will be verified by the business via
16 audit after the training is completed.

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

18 (9) Participants in the economic development job training
19 program shall be 16 years or older and not enrolled and counted in
20 membership in a school district, intermediate school district, or
21 community college, or any other program funded with state funding.
22 Any training provider that receives state appropriated funds shall
23 not include in the enrollment data reported for determining state
24 aid any student credit hours or student contact hours for a student
25 who is a participant in the economic development job training
26 program. Exclusions of these students is intended to avoid payment
27 of state aid for the same individuals for whom training costs are

1 paid for through the economic development job training program.

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

9 (11) For training delivered to incumbent workers, the business
10 receiving the benefit of the training shall provide a minimum of
11 30% of the program costs in matching funds as necessitated by the
12 program.

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

15 (13) A recipient of a grant under this section shall allow the
16 fund or the agency's designee to audit all records related to the
17 grant for all entities that receive money, either directly or
18 indirectly through a contract, from the grant funds. A grant
19 recipient or contractor shall reimburse the state for all
20 disallowances found in the audit. Costs disallowed under subsection
21 (8)(b) based on the employer job creation and retention
22 requirements are not the same as the training costs that are
23 disallowed in this subsection.

24 (14) The fund shall provide to the state budget director and
25 the fiscal agencies by November 1 of each year a report on the
26 economic development job training program grants. The report shall
27 provide this information for each grant or contract awarded during

1 the preceding full fiscal year. The report shall contain all of the
2 following:

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

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

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

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

10 (15) As a condition of receiving funds under part 1 of 2007 PA
11 127, the fund shall not expend any of the economic development job
12 training program funds to train any employee who is an officer of a
13 corporation in a corporation employing more than 250 employees.

14 (16) The Michigan strategic fund shall allocate \$500,000.00
15 for aeronautics certification grants as described in this
16 subsection. The grants shall be funded from the appropriation in
17 part 1 for economic development job training grants or work project
18 funds available for the defense contract coordination center, or
19 both. The Michigan strategic fund shall report to the senate and
20 house subcommittees on general government, the fiscal agencies, and
21 the state budget office by January 15, 2008 on the sources of
22 funding for this program. \$500,000.00 shall be allocated for the
23 following purposes:

24 (a) \$250,000.00 shall be allocated for aeronautics
25 certification grants to assist manufacturers in becoming certified
26 for aerospace manufacturing. Priority shall be given to ISO or TS
27 certified companies that are members of a state of Michigan

1 nonprofit, tax-exempt aerospace manufacturers association and have
2 received a request for quotes or request for proposal from an
3 aerospace company. Grant awards of up to \$10,000.00 shall be given
4 to a qualifying company seeking such certification. As used in this
5 section, "ISO" means international organization for standardization
6 and "TS" means technical specification.

7 (b) \$250,000.00 shall be provided to the Michigan aerospace
8 manufacturers association, a nonprofit, tax-exempt, aerospace-based
9 manufacturing association. Funding shall be used for organizational
10 assistance and to advance and promote the aerospace manufacturing
11 community in the state of Michigan within the global economy.

12 Sec. 613. From the funds appropriated in part 1 of 2007 PA 127
13 to the 21st century jobs fund program, \$1,400,000.00 shall be
14 granted by the Michigan strategic fund board to the Michigan small
15 business and technology development centers to be used for the
16 small business technology transfer or small business innovation
17 research grant or loan matching programs. These funds shall only be
18 used to provide the required match. Grants or loans under this
19 section shall not exceed 25% of the federal funds and must leverage
20 third-party commercialization funding at both the phase I and phase
21 II levels.

22 **REPEALER**

23 Sec. 701. The following sections are repealed:

24 (a) Sections 710 and 1717 of 2007 PA 123.

25 (b) Sections 1002 and 1024 of 2007 PA 127.

26 (c) Sections 566, 573, 574, 609, 615, 643, 720, 721, 722, 723,

1 and 726 of 2007 PA 131.