

Act No. 113
Public Acts of 2008
Approved by the Governor*
April 25, 2008
Filed with the Secretary of State
April 29, 2008
EFFECTIVE DATE: April 29, 2008

*Item Vetoes

**Sec. 112. DEPARTMENT OF TREASURY
(5) MICHIGAN STRATEGIC FUND**

Business incubator - Macomb County.....	\$	500,000	(Page 7)
Business incubator - Washtenaw County.....	\$	500,000	(Page 7)

**STATE OF MICHIGAN
94TH LEGISLATURE
REGULAR SESSION OF 2008**

Introduced by Rep. Cushingberry

ENROLLED HOUSE BILL No. 5344

AN ACT to make, supplement, and adjust appropriations for various state departments and agencies and the judicial branch 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:

PART 1

LINE-ITEM APPROPRIATIONS

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

APPROPRIATION SUMMARY:

Full-time equated classified positions.....	21.0		
GROSS APPROPRIATION.....		\$	143,936,500
Total interdepartmental grants and intradepartmental transfers			0
ADJUSTED GROSS APPROPRIATION.....		\$	143,936,500
Total federal revenues			72,642,000
Total local revenues			2,310,300
Total private revenues.....			0
Total other state restricted revenues			26,726,400
State general fund/general purpose		\$	42,257,800

**Sec. 102. DEPARTMENT OF COMMUNITY HEALTH
(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION.....		\$	137,504,500
Total interdepartmental grants and intradepartmental transfers			0
ADJUSTED GROSS APPROPRIATION.....		\$	137,504,500
Total federal revenues			59,009,300
Total local revenues			1,198,400
Total private revenues.....			0
Total other state restricted revenues			41,206,400
State general fund/general purpose		\$	36,090,400

For Fiscal Year
Ending Sept. 30,
2008

(2) MEDICAL SERVICES

Hospital services and therapy	\$	60,821,000
Long-term care services		360,000
Health plan services		40,383,900
Subtotal basic medical services program		101,564,900
School-based services		35,939,600
Subtotal special medical services payments		35,939,600
GROSS APPROPRIATION	\$	137,504,500
Appropriated from:		
Federal revenues:		
Total federal revenues		59,009,300
Special revenue funds:		
Total local revenues		1,198,400
Total other state restricted revenues		41,206,400
State general fund/general purpose	\$	36,090,400

Sec. 103. DEPARTMENT OF EDUCATION

(1) APPROPRIATION SUMMARY

Full-time equated classified positions	6.0	
GROSS APPROPRIATION	\$	3,322,400
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	3,322,400
Total federal revenues		3,322,400
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	\$	0

(2) EDUCATIONAL ASSESSMENT AND ACCOUNTABILITY

Full-time equated classified positions	6.0	
Educational assessment operations—6.0 FTE positions	\$	3,322,400
GROSS APPROPRIATION	\$	3,322,400
Appropriated from:		
Federal revenues:		
Federal revenues		3,322,400
State general fund/general purpose	\$	0

Sec. 104. DEPARTMENT OF ENVIRONMENTAL QUALITY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	250,000
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	250,000
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		(10,750,000)
State general fund/general purpose	\$	11,000,000

(2) GRANTS

Real-time water quality monitoring	\$	250,000
GROSS APPROPRIATION	\$	250,000
Appropriated from:		
Special revenue funds:		
Settlement funds		250,000
State general fund/general purpose	\$	0

(3) AIR QUALITY

Air quality programs	\$	0
GROSS APPROPRIATION	\$	0
Appropriated from:		
Special revenue funds:		
Air emissions fees		(3,527,400)
State general fund/general purpose	\$	3,527,400

(4) ENVIRONMENTAL SCIENCE AND SERVICES DIVISION

Pollution prevention and technical assistance	\$	0
GROSS APPROPRIATION	\$	0
Appropriated from:		
Special revenue funds:		
Air emissions fees		(377,600)
Waste reduction fee revenue		(175,200)
State general fund/general purpose	\$	552,800

(5) OFFICE OF GEOLOGICAL SURVEY

Mineral wells management	\$	0
GROSS APPROPRIATION	\$	0
Appropriated from:		
Special revenue funds:		
Mineral well regulatory fee revenue		(75,000)
State general fund/general purpose	\$	75,000

(6) LAND AND WATER MANAGEMENT

Field permitting and project assistance	\$	0
Great Lakes shorelands		0
GROSS APPROPRIATION	\$	0
Appropriated from:		
Special revenue funds:		
Land and water permit fees		(2,965,000)
State general fund/general purpose	\$	2,965,000

(7) WASTE AND HAZARDOUS MATERIALS

Hazardous waste management program	\$	0
Solid waste management program		0
GROSS APPROPRIATION	\$	0
Appropriated from:		
Special revenue funds:		
Environmental pollution prevention fund		(1,066,900)
Solid waste program fees		(510,500)
State general fund/general purpose	\$	1,577,400

(8) WATER

Drinking water and environmental health	\$	0
Groundwater discharge		0
GROSS APPROPRIATION	\$	0
Appropriated from:		
Special revenue funds:		
Groundwater discharge permit fees		(1,709,900)
On-site wastewater treatment program fund		(592,500)
State general fund/general purpose	\$	2,302,400

Sec. 105. HIGHER EDUCATION

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	(9,700,000)
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	(9,700,000)
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		(9,700,000)
State general fund/general purpose	\$	0

(2) GRANTS AND FINANCIAL AID

Michigan merit award program	\$	(7,700,000)
Michigan promise grant program		(2,000,000)
GROSS APPROPRIATION	\$	(9,700,000)
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund		(9,700,000)
State general fund/general purpose	\$	0

Sec. 106. DEPARTMENT OF HUMAN SERVICES

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION.....	\$	17,482,800
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION.....	\$	17,482,800
Total federal revenues		10,310,300
Total local revenues		622,400
Total private revenues.....		0
Total other state restricted revenues		0
State general fund/general purpose	\$	6,550,100

(2) COMMUNITY ACTION AND ECONOMIC OPPORTUNITY

Community services block grant	\$	300,000
GROSS APPROPRIATION.....	\$	300,000
Appropriated from:		
State general fund/general purpose	\$	300,000

(3) ADULT AND FAMILY SERVICES

Nutrition education	\$	9,688,400
GROSS APPROPRIATION.....	\$	9,688,400
Appropriated from:		
Federal revenues:		
Total federal revenues		9,688,400
State general fund/general purpose	\$	0

(4) CHILDREN'S SERVICES

Foster care payments	\$	2,281,200
Adoption support services		213,100
GROSS APPROPRIATION.....	\$	2,494,300
Appropriated from:		
Federal revenues:		
Total federal revenues		621,900
Special revenue funds:		
Local funds - county chargeback		622,400
State general fund/general purpose	\$	1,250,000

(5) JUVENILE JUSTICE SERVICES

Child care fund.....	\$	838,600
GROSS APPROPRIATION.....	\$	838,600
Appropriated from:		
State general fund/general purpose	\$	838,600

(6) LOCAL OFFICE STAFF AND OPERATIONS

Field staff, salaries and wages	\$	161,500
GROSS APPROPRIATION.....	\$	161,500
Appropriated from:		
State general fund/general purpose	\$	161,500

(7) PUBLIC ASSISTANCE

Day care services.....	\$	4,000,000
Homeless shelter contracts		(11,646,700)
Homeless programs.....		11,646,700
GROSS APPROPRIATION.....	\$	4,000,000
Appropriated from:		
State general fund/general purpose	\$	4,000,000

(7) PUBLIC ASSISTANCE

Day care services.....	\$	4,000,000
Homeless shelter contracts		(11,646,700)
Homeless programs.....		11,646,700
GROSS APPROPRIATION.....	\$	4,000,000
Appropriated from:		
State general fund/general purpose	\$	4,000,000

Sec. 107. JUDICIARY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION.....	\$	489,500
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION.....	\$	489,500
Total federal revenues		0
Total local revenues		489,500

		For Fiscal Year Ending Sept. 30, 2008
Total private revenues.....	\$	0
Total other state restricted revenues		0
State general fund/general purpose	\$	0
(2) SUPREME COURT		
Direct trial court automation support.....	\$	489,500
GROSS APPROPRIATION.....	\$	489,500
Appropriated from:		
Special revenue funds:		
Local - user fees.....		489,500
State general fund/general purpose	\$	0

Sec. 108. DEPARTMENT OF LABOR AND ECONOMIC GROWTH

(1) APPROPRIATION SUMMARY

Full-time equated classified positions.....	10.0		
GROSS APPROPRIATION.....	\$	420,000	
Total interdepartmental grants and intradepartmental transfers		0	
ADJUSTED GROSS APPROPRIATION.....	\$	420,000	
Total federal revenues		0	
Total local revenues		0	
Total private revenues.....		0	
Total other state restricted revenues		420,000	
State general fund/general purpose	\$	0	

(2) OFFICE OF FINANCIAL AND INSURANCE SERVICES

Full-time equated classified positions.....	10.0		
Financial evaluation—10.0 FTE positions	\$	420,000	
GROSS APPROPRIATION.....	\$	420,000	
Appropriated from:			
Special revenue funds:			
Consumer finance fees		420,000	
State general fund/general purpose	\$	0	

Sec. 109. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION.....	\$	117,300	
Total interdepartmental grants and intradepartmental transfers		0	
ADJUSTED GROSS APPROPRIATION.....	\$	117,300	
Total federal revenues		0	
Total local revenues		0	
Total private revenues.....		0	
Total other state restricted revenues		0	
State general fund/general purpose	\$	117,300	

(2) VETERANS SERVICE ORGANIZATIONS

American legion	\$	26,600	
Disabled American veterans.....		22,000	
Marine corps league		10,100	
American veterans of World War II and Korea.....		13,900	
Veterans of foreign wars.....		26,600	
Michigan paralyzed veterans of America.....		5,000	
Purple heart.....		4,700	
Polish legion of American veterans.....		1,200	
Jewish veterans of America.....		1,200	
State of Michigan council - Vietnam veterans of America.....		4,800	
Catholic war veterans		1,200	
GROSS APPROPRIATION.....	\$	117,300	
Appropriated from:			
State general fund/general purpose	\$	117,300	

Sec. 110. DEPARTMENT OF NATURAL RESOURCES

(1) APPROPRIATION SUMMARY

Full-time equated classified positions	5.0		
GROSS APPROPRIATION		\$	1,050,000
Total interdepartmental grants and intradepartmental transfers			0
ADJUSTED GROSS APPROPRIATION		\$	1,050,000
Total federal revenues			0
Total local revenues			0
Total private revenues			0
Total other state restricted revenues			50,000
State general fund/general purpose		\$	1,000,000

(2) FOREST, MINERAL, AND FIRE MANAGEMENT

Full-time equated classified positions	5.0		
Wildfire protection—5.0 FTE positions		\$	500,000
Forest recreation and trails			500,000
GROSS APPROPRIATION		\$	1,000,000
Appropriated from:			
State general fund/general purpose		\$	1,000,000

(3) GRANTS

St. Jean public boat launch		\$	50,000
GROSS APPROPRIATION		\$	50,000
Appropriated from:			
Special revenue funds:			
Michigan state waterways funds			50,000
State general fund/general purpose		\$	0

Sec. 111. DEPARTMENT OF STATE POLICE

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION		\$	3,000,000
Total interdepartmental grants and intradepartmental transfers			0
ADJUSTED GROSS APPROPRIATION		\$	3,000,000
Total federal revenues			0
Total local revenues			0
Total private revenues			0
Total other state restricted revenues			0
State general fund/general purpose		\$	3,000,000

(2) FORENSIC SCIENCES

Laboratory operations		\$	2,000,000
GROSS APPROPRIATION		\$	2,000,000
Appropriated from:			
State general fund/general purpose		\$	2,000,000

(3) POST UNIFORM SERVICES

At-post troopers		\$	1,000,000
GROSS APPROPRIATION		\$	1,000,000
Appropriated from:			
State general fund/general purpose		\$	1,000,000

Sec. 112. DEPARTMENT OF TREASURY

(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			5,500,000
State general fund/general purpose		\$	(15,500,000)

(2) DEBT SERVICES

Quality of life bond	\$	(8,000,000)
Clean Michigan initiative.....		(18,000,000)
Great Lakes water quality bond.....		(4,000,000)
GROSS APPROPRIATION	\$	(30,000,000)

Appropriated from:

State general fund/general purpose	\$	(30,000,000)
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(3) CASINO GAMING

Casino gaming control administration	\$	5,500,000
GROSS APPROPRIATION	\$	5,500,000

Appropriated from:

Special revenue funds:

State services fee fund		5,500,000
State general fund/general purpose	\$	0

(4) GRANTS

Presidential primary	\$	10,000,000
GROSS APPROPRIATION	\$	10,000,000

Appropriated from:

State general fund/general purpose	\$	10,000,000
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(5) MICHIGAN STRATEGIC FUND

Business incubator - Macomb County.....	\$	500,000
Business incubator - Washtenaw County.....		500,000
Michigan State University bio-energy research center		3,500,000
GROSS APPROPRIATION	\$	4,500,000

Appropriated from:

State general fund/general purpose	\$	4,500,000
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PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this appropriation act for the fiscal year ending September 30, 2008 is \$68,984,200.00 and state appropriations paid to local units of government are \$11,000,000.00.

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

DEPARTMENT OF COMMUNITY HEALTH

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

(2) By September 30, 2008, the department shall report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the new distribution of funding to each eligible hospital from the 2 pools.

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

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

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

DEPARTMENT OF EDUCATION

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

DEPARTMENT OF ENVIRONMENTAL QUALITY

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

DEPARTMENT OF HUMAN SERVICES

Sec. 451. From the funds appropriated in part 1 for day care services, up to \$3,323,900.00 shall be available for day care provider rate increases and up to \$676,100.00 shall be available for administration of the program.

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

(2) Contracts with licensed child placing agencies shall include specific performance and incentive measures with a focus on achieving permanency placement for children in foster care.

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

Sec. 453. (1) From the money appropriated in part 1 of 2007 PA 131 for foster care payments, \$2,500,000.00 is allocated to support new contracts with private nonprofit child placing agencies to facilitate the licensure of relative caregivers as foster parents. Agencies shall receive \$2,300.00 for each facilitated licensure. The private nonprofit agency facilitating the licensure would retain the placement and continue to provide case management services for at least 50% of the newly licensed cases for which the placement was appropriate to the agency. Up to 50% of the newly licensed cases would have direct foster care services provided by the department.

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

Sec. 454. The department of human services shall review and may adjust daily per diem rates to providers of high-secure juvenile services in recognition of added complex services.

Sec. 455. A private nonprofit 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 physically separate residents of each security level. However, to be eligible for funding, the private nonprofit service provider shall not use a for-profit management group or contract with a for-profit organization for its management, except pursuant to an arrangement or written management contract existing prior to August 1, 2007.

Sec. 456. (1) Beginning October 1, 2007, from the money appropriated in part 1 of 2007 PA 131 for foster care payments, Wayne County foster care payments, and child care fund, the department shall not enter into or maintain a contract with a for-profit provider of residential services for juvenile justice and abused or neglected youth, or with a nonprofit provider of residential services for juvenile justice and abused or neglected youth that uses a for-profit management group or contracts with a for-profit organization for its management, unless the provider was licensed on or before August 1, 2007 and, if the provider is a nonprofit provider of residential services for juvenile justice and abused or neglected youth that uses a for-profit management group or contracts with a for-profit organization for its management, the contract between the provider and the for-profit group or organization existed prior to August 1, 2007.

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

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

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

- (a) For basic and standard, \$2,594.00 for a placement, \$1,733.00 for a finalization.
- (b) For enhanced, \$4,068.00 for a placement, \$2,712.00 for a finalization.
- (c) For premium, \$5,404.00 for a placement, \$3,603.00 for a finalization.
- (d) For residential, \$6,240.00 for a placement, \$4,160.00 for a finalization.
- (e) For I-MARE, \$4,368.00 for a placement, \$2,912.00 for a finalization.
- (f) For MARE, \$5,819.00 for a placement, \$3,879.00 for a finalization.
- (g) For preplacement, \$1,352.00 for basic or standard, \$2,704.00 for enhanced.

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

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

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

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

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

(i) The premium category shall be used if the placement is achieved less than 6 months after the termination of parental rights, or after the case referral to the agency if the case was referred 3 months or more after termination.

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

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

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

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

Sec. 463. As a condition of receipt of federal TANF funds, homeless shelters and human service agencies 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 programs, 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. 464. 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 below the level in effect on October 1, 2006. The legislature shall be notified not less than 30 days before any proposed reduction in the state supplementation level.

DEPARTMENT OF LABOR AND ECONOMIC GROWTH

Sec. 501. (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. 502. (1) The amount of \$2,163,400.00 in the housing and community development fund is hereby appropriated and may be expended by the state housing development authority as provided in sections 58c and 58d of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1458c and 125.1458d.

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

DEPARTMENT OF MANAGEMENT AND BUDGET

Sec. 521. The department of management and budget shall contract with an experienced performance review company to conduct performance reviews of state departments. The contract shall be done on a contingency basis and the reviews shall be concluded within 180 days of the issuance of the contract. Performance enhancement recommendations shall be submitted to the director of the department of management and budget and to the members of the senate and house appropriations committees.

DEPARTMENT OF NATURAL RESOURCES

Sec. 560. The appropriation in part 1 for the St. Jean public boat launch shall be provided to the city of Detroit to make necessary improvements to the Vaughn-Reid marine launching park, including the installation of a floating dock, dredging to remove material impeding boater access, and on-site fencing.

DEPARTMENT OF TREASURY

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

MICHIGAN STRATEGIC FUND

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

(2) Not more than \$800,000.00 of the total appropriation in part 1 may be expended for administrative costs by the fund. 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 of 2007 PA 127 to the fund for the economic development job training program 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 of 2007 PA 127 for the economic development job training program grants, \$4,500,000.00 of the funds shall be awarded to community colleges or a consortium of community colleges and other eligible applicants pursuant to subsection (5). Remaining funds may be awarded to any of the entities listed in subsection (5) or businesses which create at least 100 new jobs at a single location in a period not to exceed 2 years from the date of the grant award.

(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 or businesses which meet the criteria set in subsection (4).

(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 within a predetermined time period. For grants to businesses permitted under subsection (4), if the business does not create or retain the number of jobs specified within the predetermined time period, the business shall reimburse the state for the amount of the grant equal to the percentage difference between the number of jobs the business committed to create or retain and the number actually created or retained. The number of jobs created and retained will be verified by the business via audit after the training is completed.

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

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

(10) A recipient of a grant under this section shall not charge tuition or fees to participants in the program funded by the economic development job training program 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, 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. Costs disallowed under subsection (8)(b) based on the employer job creation and retention requirements are not the same as the training costs that are disallowed in this subsection.

(14) The fund shall provide to the state budget director and the fiscal agencies by November 1 of each year a report on the economic development job training program grants. The report 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) As a condition of receiving funds under part 1 of 2007 PA 127, the fund shall not expend any of the economic development job training program funds to train any employee who is an officer of a corporation in a corporation employing more than 250 employees.

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

(a) \$250,000.00 shall be allocated for aeronautics certification grants to assist manufacturers in becoming certified for aerospace manufacturing. Priority shall be given to ISO or TS certified companies that are members of a state of Michigan nonprofit, tax-exempt aerospace manufacturers association and have received a request for quotes or request for proposal from an aerospace company. Grant awards of up to \$10,000.00 shall be given to a qualifying company seeking such certification. As used in this section, "ISO" means international organization for standardization and "TS" means technical specification.

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

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

REPEALER

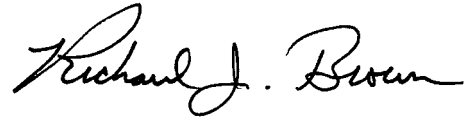
Sec. 701. The following sections are repealed:

(a) Section 1717 of 2007 PA 123.


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

(c) Sections 566, 573, 574, 609, 643, 723, and 726 of 2007 PA 131.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved -----

Governor